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CONTINENTAL SHIPING LINES: AUSTRIA: 25; BELGIUM: 25; DENMARK: 25; FRANCE: 25; GERMANY: 25; ITALY: 25; NETHERLANDS: 25; NORWAY: 25; PORTUGAL: 25; SPAIN: 25; SWEDEN: 25; SWITZERLAND: 25; EIRE: 15p

NEWS SUMMARY

GENERAL

Petrol case for trial
A private case against two oil companies and Ford Motor, part of a campaign to get lead additives removed from petrol in the UK, has been sent for trial.

Paris cut off by more snow
France was worst hit by fresh snowfalls. Paris was cut off from the south with 8 ins of snow on motorways and other main roads.

Ulster bomb
Two men were killed when a car bomb exploded prematurely in a Republican area of Belfast.

'Sinister' vetting
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Khomeini stays
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War over official
The US is snapping a rule whereby American Indians could buy guns only by proving that they were intended for a lawful purpose.

Briefly
French Transport Minister said that it was hoped to build a second generation Anglo-French Concorde.

Chief price changes yesterday
(Brices in pence unless otherwise indicated)
RISES
Borthwick (T) 73 + 7
Burnett Hammershire 225 + 8
Churchbury Ests 342 + 7
De Vere Hotels 189 + 5
ERF 129 + 5
England (J. R.) 32 + 3
European Farries 129 + 3
First Nat. Thr. 91pc
Cov. 1982 554 + 4
Gold Fields Prop 50 + 6
Midland Bank 368 + 5
Michael Somers 47 + 4
Ratners 72 + 3
Samuelson Film Sv. 118 + 7
Stewart Plastics 180 + 5
Toys 90 + 7
Vesper 200 + 8

BUSINESS

Equities down 2.4; Wall St. firm
SECURITY leaders lost ground in this trading as the market responded to the growing road haulage disputes.

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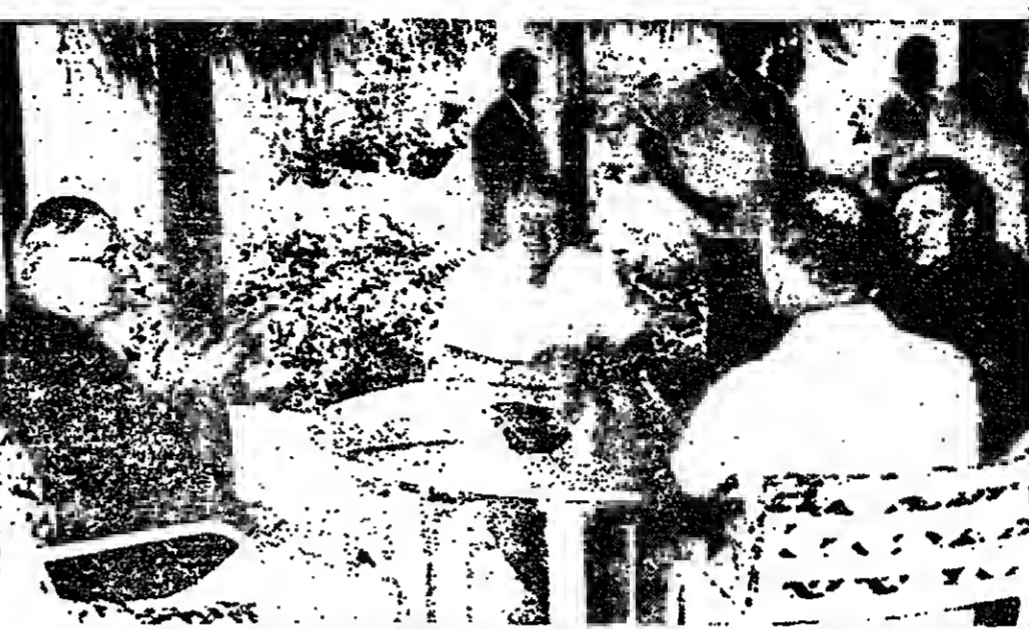
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China to get Harriers in package deal only

BY RICHARD EVANS, LOBBY EDITOR, IN GUADELOUPE

BRITAIN has decided in principle to sell the Harrier jump jet fighter to the Chinese, provided it is part of a large package covering a wide range of capital and consumer goods.



Making a point for Britain at the summit, Mr. Callaghan (left) faces a smiling President Carter, President d'Estaing (back to camera) and Chancellor Schmidt.

The leaders do not believe such relatively limited sales should block détente or the development of the SALT talks on arms limitations.

Among the areas where negotiations are at an advanced stage and are expected to be concluded soon are: Two steel plant modernisation projects together worth £640m.

Continued on Back Page

Lorry strike may force output cuts

BY COLLEEN TOOMEY AND NICK GARNETT

MANUFACTURERS are planning production cuts next week if the strike by Britain's private haulage lorry drivers continues.

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Forecourt hope

Four of the five major oil companies were confident last night that pay offers to their tanker drivers and ancillary workers were proving acceptable.

Peking cautions Hanoi on Cambodia invasion

BY OUR FOREIGN STAFF

CHINA'S MOUNTING anger over Vietnam's large-scale invasion of Cambodia was expressed yesterday in a series of veiled but ominous warnings to the Hanoi Government.

Some had already left. With fighting continuing in at least 19 of Cambodia's 19 provinces, diplomats believe that the Government may be preparing to abandon the capital and conduct the war from the countryside.

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driven close to the centre of the country and opened up another three-division front in the southwest beside the Gulf of Siam.

Vickers Scotswood to close

BY ANDREW TAYLOR

VICKERS is to close its Scotswood heavy engineering plant, one of its three factories on Tyne-side, making 750 redundant.

After discussions with the National Enterprise Board and the Department of Industry it had been agreed that this scheme was not viable.

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Table with columns: Overseas news, UK news, Features, World Markets, FT Report.

ARBUTHNOT HIGH YIELD FUND
DISTRIBUTIONS PAID QUARTERLY
11.00%
ESTIMATED GROSS STARTING YIELD
HIGH SECURE INITIAL YIELD WITH GROWTH OF INCOME PROSPECTS

OVERSEAS NEWS

Tense Iranians awaiting Shah's decision to depart

BY SIMON HENDERSON IN TEHRAN

WITH THE long-awaited announcement of Dr. Shapour Bakhtiar's cabinet now imminent, Iranians are anxiously waiting to see if the Shah is going to leave the country. The belief that he will leave temporarily has been strengthened by senior aides of President Carter, who are reported saying in Washington that the Shah is expected to act within the next few days.

serious fuel shortage, such action would be hard to detect. Pointedly the anti-Shah Moslem religious leaders have not expressed any involvement in the protest. This could be because they are prepared to give Dr. Bakhtiar a chance, or because they are sitting firmly on the fence until the situation is clearer. Either way it is a snub to the National Front and an indication of its limited organisational support.

generals and several human rights activists. None has previously held ministerial appointments. Dr. Bakhtiar's weakness is his almost complete lack of popular support. Tehran yesterday was quiet with people celebrating the Moslem weekend by walking in parks and generally relaxing. Many others were waiting without success in long queues to buy oil for cooking stoves and for heating. Soldiers remained stationed at many intersections.



Sig. Pietro Sette, now president of ENI who has been named to head IRI.

Political choices for Italy's top jobs

By Rupert Cornwell in Rome

AFTER MONTHS of painstaking internal wrangling, the Italian Government has finally agreed on the nomination of candidates to head some of the country's most important public sector corporations. Picked to head the giant conglomerate IRI is the State energy agency Ente Nazionale Idroelettrico (ENI).

THE GUADELOUPE SUMMIT SALT comes under scrutiny

BY ROBERT MAUTHNER IN GUADELOUPE

THE IMPLICATIONS for Europe of the next round of the strategic arms limitation talks, following the expected early conclusion of SALT 2, figure high on the informal agenda of the "big four" Western summit which opened on this French West Indian island yesterday.

particular is anxious that the limitation of British and French nuclear arms should be included in SALT 3, the British and French Governments are reported to be in agreement that they should be excluded from the negotiations. This point is expected to be made forcefully by at least President Giscard in the wide-ranging discussions on security problems which he is due to have here with President Jimmy Carter.

Herr Schmidt, too, is said to be greatly concerned by the probable outcome of SALT 2 and the reported intention of the Soviet Union and the U.S. to discuss the reduction of their nuclear arms in the so-called "grey areas" of Europe.

there would be little point in calling a round-table conference at this stage. Herr Schmidt, according to informed sources, is particularly anxious that a Joint Western Initiative should be taken to prevent a further deterioration of the situation in Turkey and has offered a substantial West German financial contribution to what he hopes will be a joint Western aid package.

The whole problem of the future of the British and French nuclear deterrents is reported to have been discussed by Mr. James Callaghan, the Prime Minister and President Giscard d'Estaing of France, during their talks in Paris last month, though neither made any official statement on the subject at the time.

Britain's nuclear agreement with the U.S. under which the U.S. supplies it with Polaris missiles, comes up for renegotiation by the end of this year, while the French must take an early decision on whether or not to build their own Cruise missiles.

A clarification of the U.S. position on the subject has become all the more pressing since both Britain and France will have to take important decisions on the development of their nuclear forces.

Though the Franco-German disagreement on agricultural problems, which has delayed the introduction of the European Monetary System, will doubtless come up in bilateral conversations between President Giscard and Herr Schmidt, French officials do not expect a compromise settlement to be reached in Guadeloupe.

Early decision expected on BP's deal with Veba

BY JONATHAN CARR IN BONN

THE WEST German Economics Minister, Count Otto Lambsdorff, is thought increasingly likely to decide this month whether to allow the DM 800m deal between Veba and Deutsche BP to go ahead in its proposed form.

Ministry officials said today that a public hearing would be held on January 18 at which all interested groups, including trade unions and consumer associations, would be able to state their views.

The Monopolies Commission did not advise against any further stake by Deutsche BP in Ruhrgas. But it suggested that this be limited to nine per cent, giving BP a firm top-hold in the German market—instead of 25 per cent.



M. Francois Mitterrand

Mitterrand prepares to defend leadership

By David White in Paris

THE GROWING debate among French Socialists enters a crucial stage today, when the party leadership meets to prepare for a full congress in Metz in April. The question of whether M. Francois Mitterrand can continue to rally the party's mainstream in the face of an alliance between two of his former chief lieutenants, M. Michel Rocard and M. Pierre Mauroy, is expected to be the main focus.

Debate re-opened on route of Alaska-Canada gas pipeline

BY ROBERT GIBBENS IN MONTREAL

MR. ROBERT BLAIR, President of Alberta Gas Trunk Line, has reopened the debate about how best to bring to market gas from Alaska and the adjoining Beaufort Sea and Canadian territory. He told the Globe and Mail newspaper of Toronto that the possibility of taking the gas up the Mackenzie Valley had been raised in "deliberately broad" discussions between his company and Dome Petroleum.

put forward by a group including many of the big oil companies but was turned down by the Canadian National Energy Board. An independent inquiry had reported unfavourably against the ecological aspects of the route and its impact upon native peoples in the area.

cessive summers. Nothing is officially known of the results so far, though there are rumours of what the industry admiringly calls an "elephant". The route along the Highway would require a spur to be built to feed in Canadian gas from the Beaufort Sea and the Mackenzie Delta, once quantities warrant. Applications for such a spur are expected to be lodged with the regulatory authority in June.

U.S. new car sales near record

By John Wyles in New York

THE U.S. CAR industry had its third best sales year in 1978 and although imports performed less well than the year before total new car purchases by U.S. consumers were the second highest ever. The 1978 picture has been completed following publication yesterday of December car sales figures which reveal that the rate of domestic make sales rose 2.7 per cent but foreign car sales, apparently succumbing to the impact of repeated price increases, slumped 8.9 per cent.

Thriving vehicle industry aids Brazil GDP growth

BY DIANA SMITH IN RIO DE JANEIRO

PRELIMINARY STATISTICS from Brazil's National Statistics Institute indicate that in 1978 GDP grew 6.3 per cent to \$174.3 bn from \$164bn at the end of 1977. This result, in a year beginning with the threat of stagflation, was due to the recovery of industry (8.6 per cent growth), trade (6.1 per cent growth), and transport and communications (6.1 per cent growth). Agricultural production suffered a negative growth of 1.8 per cent, owing to drought, frosts, blight, swine fever, unseasonal rain, tighter credit and reduced planting area.

Salvage men on board Greek tanker

By Robert Graham in Madrid

THE CRIPPLED Greek tanker, ANDROS PATRIA, was being towed south by two Dutch tugs last night to a point opposite Lisbon but outside Portuguese territorial waters. Two salvage experts were finally able to board the tanker yesterday.

Lisbon seeks IMF concessions

BY OUR LISBON CORRESPONDENT

NEGOTIATIONS TO renew Portugal's agreement with the International Monetary Fund, due to expire at the end of March, will start on February 6. Prof. Jacinto Nunes, the Finance Minister announced yesterday.

that the country overstepped the credit mark in the public sector during the term of the IMF agreement. It is a moot point, however, whether the fund's "policemen" will agree with the Portuguese view. They originally stipulated credit ceilings for both the private and public sectors and it was this latter which exceeded the limits despite the fact that the private sector remains responsible for 95 per cent of Portugal's exports.

Bank. Previously, the young financial expert had made it clear that heading the EIC was a full-time job and he would soon need to decide on his future with the body. Meanwhile things are promising to heat up on the labour front. The Communist-backed major trade union movement CGTP has warned Premier Mota Pinto's reformist non-party government that it will oppose proposed policies to reverse some of the Left-wing gains of the revolution.

S. Africa 'has had offers of oil'

BY QUENTIN FEEL IN JOHANNESBURG

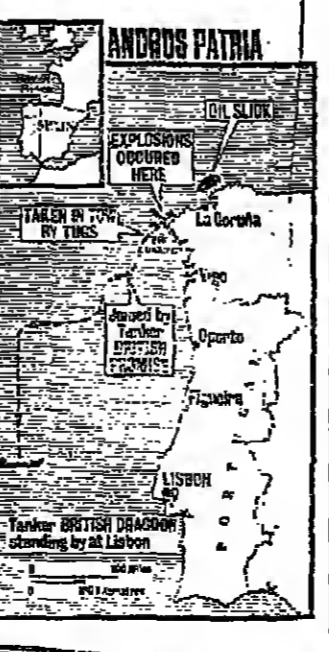
SOUTH AFRICA has had offers of supplies of crude oil from several sources, and imports would not dry up completely if Iranian supplies were cut off, a senior government official said yesterday. Mr. Tjaart Van Der Walt, Secretary for Commerce, admitted however, that the offers of oil to replace Iranian crude, which has accounted for more than 90 per cent of South African supplies in recent years, were at a premium price.

Irish growth to slow slightly

BY STEWART DALBY IN DUBLIN

IRELAND EXPECTS its high growth rate to slow only slightly this year, while inflation, which was seven per cent in 1978, will drop to five per cent. Unemployment should fall by 25,000 by the end of 1979. These were the main points in a long-awaited Government White Paper called "Programme for National Development 1978-1981", which was released yesterday by Dr. Martin O'Donoghue, the Minister for Economic Development and Planning.

strong deflationary effect on the buoyant Irish economy. The paper expands on the White Paper of January 1978, and the Green Paper of June 1978. It says the Irish economy grew by 7 per cent in 1978. For this year, a 6 1/2 per cent increase is forecast. For 1980 and 1981, growths of 7 per cent and 5 per cent respectively are considered feasible. By 1981, a total of 75,000 people should have found work, more than halving unemployment. These targets are thought to be consistent with the Government's other main goal of bringing down the public-sector borrowing rate, which amounted to 13 per cent of GNP in 1978. This year's target is 10 per cent, and it should be below 8 per cent by the end of 1981.



Tough year for Dutch economy

BY CHARLES BACHELOR IN AMSTERDAM

THERE IS no sign there will be any significant improvement in the Netherlands' sluggish economy this year, according to a senior Government economist. Bright spots in the generally gloomy picture were the success in reducing inflation and in holding unemployment levels steady. Dr. F. W. Rutten, permanent under-secretary at the Economics Ministry, said in his annual review of the Dutch economy published in the weekly "Economic Social Reports".

growth of world trade, and in the past two years had fallen by 10 per cent. The change in the balance of payments, from a surplus of Ft. 7.4bn (€1.5bn) in 1976 to an estimated deficit of up to Ft. 2bn last year, was a fundamental one. Dr. Rutten said. But this probably exaggerated underlying trends, and the Netherlands' considerable gold and currency reserves would allow it to run balance-of-payments deficits for some time, this would reduce the Government's leeway, however, and would have to be reflected in financial and economic policies.

now 4.25 to 4.50 per cent, was to a large extent due to the strength of the Guilder on foreign exchanges. It was important to consolidate the recent reduction in inflation in the year ahead, and to restrain wages, he said. If the Guilder was allowed to depreciate, inflation would increase, while it was not clear that an advantage would be gained elsewhere. Tackling the total of Government policy objectives in employment, price stability, maintaining real purchasing power, reasonable profits and balance-of-payments stability, policies aimed at reducing the value of the guilder would be irresponsible. The economy now called for finely tuned policies to improve the labour market and industrial investment, Dr. Rutten said. Such policies were also more likely to attract public support.

At the instigation of M. Gaston Defferre, the Mayor of Marseille and a close ally of M. Mitterrand, the party's Executive Committee is expected to set up a working group at its meeting today. This group will investigate a possible compromise between the Socialist leader and his mainstream critics. The working group would report to the Executive Committee's next meeting in February, but M. Mitterrand's noted capacity for compromise appears to be under increasing strain. The Metz congress is the key to who will be the Socialist candidate in the 1981 presidential election. M. Rocard, the most widely tipped challenger to M. Mitterrand, and M. Mauroy, Mayor of Lille and chief of the party in its powerful base in the Nord department, have presented positions differing in several respects from M. Mitterrand's—a more positive attitude to Europe, a new approach to the Socialist-Communist alliance, and acceptance of a mixed economy. They have also distanced themselves from M. Mitterrand's one-man-show style of leadership. M. Rocard said this week that his joint project with M. Mauroy did not aim to change the party leadership, nor its political line, but to add elements which would take into account political and economic events in the past seven years. Although he has denied that he wants to take over M. Mitterrand's position, he has hinted that he would be prepared to be the party's presidential candidate. A recent attempt by M. Mauroy to find common ground with M. Mitterrand's allies came to nothing. Amid the proliferation of subtly different political lines, there is talk of "ballotage" of the party. The Centre group itself has split over the emphasis to be put on industrial democracy. M. Mitterrand has recently backed out in the debate in recent weeks. In an interview published in Le Monde yesterday afternoon, he stressed the party leader's role of preserving unity.

مركز من الأجهل

UK NEWS

Pay policy 'may be stepped up again'

BY IVOR OWEN
A FURTHER warning that if wage settlements reach unacceptably high levels the Government might be forced to take new measures to reinforce its counter-inflation policy was given by Mr. Merlyn Rees, Home Secretary, last night.

Productivity
Mr. Rees discounted suggestions that the policy laid down for the present pay round—increases of earnings of not more than 5 per cent unless any excess clearly resulted from genuine increases in productivity—was already collapsing.

Most wage increases still near 5% limit
By John Elliott, Industrial Editor
MOST PAY DEALS are still being agreed for figures around the Government's 5 per cent limit, despite the high offers to groups such as Ford Motor workers and oil-tanker and other lorry drivers.

Saturation point draws near for Heathrow Airport

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT
HEATHROW AIRPORT, London, is now getting close to saturation level. Figures issued by the British Airports Authority show that in November, the airport handled nearly 2m passengers, a 1.2 per cent increase over the same month in 1977, and 18 per cent up on November, 1976.



Airport staff clear snow and ice at Heathrow Airport, London

Flights resume after clear-up

BY OUR AEROSPACE CORRESPONDENT
BRITISH AIRWAYS hopes to have all its flights operating normally today, after a big effort by its own and British Airways Authority teams to get compacted snow and ice removed from the main terminal buildings at Heathrow.

Fiat and Opel increase prices in UK by about 5%

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT
TWO MORE major car importers have announced price increases. Fiat of Italy is adding an average of 5.5 per cent to UK prices, while Opel, the West German subsidiary of General Motors, has added an average of 5 per cent.

Drop in bankruptcies

FEWER INSOLVENCIES of people and companies were recorded last year. Bankruptcies in the High Court, which deals with about a quarter of all personal insolvencies in England and Wales, totalled 1,678, a drop of 115 on the previous year.

Background to W. H. Smith's entry into the D-I-Y business

'Unbelievable' price for Homecentres chain

BY JOHN MOORE
W. H. SMITH, the leading newseller and bookseller, considers its £12m purchase of home improvement stores is "a good base on which to start a chain." The company has bought the stores, said to be one of the largest out-of-town do-it-yourself businesses in the UK from LCP Holdings, the construction to motor distribution group.

Talks held on future of smallpox research

BY PAUL TAYLOR
IN THE WAKE of the leaked report on the Birmingham University smallpox outbreak, the Department of Health is discussing the future of smallpox research at St. Mary's Hospital Medical School, London, with Professor Keith Dumbell, who heads the research team.

Shoppers urged to stop food panic buying

BY CHRISTOPHER PARKES
FOOD COMPANIES and the Ministry of Agriculture yesterday tried to calm shoppers from panic buying in supermarkets and freezer stores. The Ministry of Agriculture assured the public that there were "considerable" stocks of food in the country.

Co-ops in battle to regain customers

BY DAVID CHURCHILL, Consumer Affairs Correspondent
THE CO-OPERATIVE retail societies yesterday launched a major promotional campaign aimed at regaining some of the ground lost to Tesco and Sainsbury during the past year.

More UK Home News, Page 22

The new emphasis on the Co-Op's image, rather than strict price cuts, is similar to the approaches of the other major supermarket's... advertising. While the stores are promoting certain Co-Op special offers, there is little scope left after the fierce price-cutting of the past 18 months to implement any further overall price cuts.

Almost all trains running, says British Rail

BRITISH RAIL said yesterday that all routes were open and over 95 per cent of scheduled trains were running. The continuing freezing weather was, however, still causing some cancellations and delays.

Talks held on future of smallpox research

BY PAUL TAYLOR
IN THE WAKE of the leaked report on the Birmingham University smallpox outbreak, the Department of Health is discussing the future of smallpox research at St. Mary's Hospital Medical School, London, with Professor Keith Dumbell, who heads the research team.

Record set for beer output

BY OUR CONSUMER AFFAIRS Correspondent
BEER PRODUCTION is at record levels, according to figures given yesterday by the Brewers' Society.

LIBERTY LIFE BONDS
LIMITED OFFER 15% equivalent gross yield to 33% basic rate taxpayers
10.05% net p.a. FOR 3 YEARS. ALSO SUITABLE FOR HIGHER RATE TAXPAYERS

WHSMITH
d-I-y retailer. "after all d-i-y is a growing business." Smith is acquiring 13 stores, with a total selling area of 440,000 square feet in the Midlands, the North-West and the South-West, including four stores opened in last year.

SAVE £12 A MONTH
AND LET YOUR MONEY MAKE MORE MONEY FOR A CHANGE
Get M&G's free booklet on Regular Investment and find out how to claim substantial tax relief and build a tax-free capital sum.

UK NEWS

New scrap rules will curb exports

By Roy Hodson NEW GOVERNMENT licensing arrangements will make it more difficult to export scrap steel from Britain to customers outside the EEC during the first quarter of this year.

Anti-Market election proposals 'sinister'

BY PHILIP RAWSTORNE

PROPOSALS by Labour anti-Marketees for the vetting of prospective candidates for the European elections were yesterday condemned as 'offensive and sinister' by Mr. Ian Wrigglesworth, secretary of the party's moderate Manifesto Group.

recorded and filed. Mr. Wrigglesworth told a meeting of his Thornaby constituency party yesterday that he intended to ask Mr. Ron Hayward, Labour's general secretary, to raise the issue at the next meeting of the party's National Executive.

answers. "But the proposal to record candidates' replies and file them is much more disturbing and raises fundamental questions about the relationship between elected members and their parties, their electorate and the bodies they become members of, whether local councils, Parliament or the European Assembly."

£1.2m. aid to boost industry research

By Lynton McLean

THE GOVERNMENT is to provide more than £500,000 for advanced research projects aimed at improving British industry's competitiveness in the specialised field of automated batch production.

Ship-repair overtime ban lifted by boilermakers

BY PAULINE CLARK, LABOUR STAFF

THE BOILERMAKERS' Society, biggest union in the shipbuilding industry, yielded to local pressure from both members and management yesterday to lift its overtime ban in ship-repair yards.

The ban would have its most serious effects in repair yards because of the short-term nature of contracts, and would therefore put more jobs at risk than in shipbuilding yards.

The 'New Year overtime ban' called by the union in November in protest at redundancy proposals in the industry, will continue to apply in shipbuilding.

Society for a special dispensation. Lifting of the ban on repair work is the union's response to a steadily increasing number of these in the past month from, for instance, Yarrow, Austin and Pickersgill, Sunderland and Swan Hunter.

Liberals to visit N. Ireland

By Our Lobby Staff

A GROUP of leading Liberals will visit Northern Ireland next week in an attempt to resolve growing divisions within the party over its policy on the province.

Tory urges 5-year plan for farming and food industry

BY OUR LOBBY STAFF

A FIVE-YEAR plan for the farming and food industries was suggested by Mr. John Peyton, Conservative spokesman on agriculture, at a National Farmers' Union meeting in Durham yesterday.

and the funds for further investment. "The £200m. research and development effort was too small and that there was a case for Britain developing a 'radically different' type of machine tool to compete on world markets."

Steel workers turn down 5% pay offer

BY PAULINE CLARK

THE IRON and Steel Trades Confederation, representing 80,000 workers in the British Steel Corporation, yesterday rejected a 5 per cent pay offer and indicated that it would press for its claim for a shorter working week to be taken to arbitration.

Its claim amounts to 12½ per cent, split into an 8 per cent pay rise and 4½ per cent productivity pay, from a shorter working week.

British Rail to launch exhibition train

A BRITISH RAIL holiday exhibition train aimed at capturing business for the Sealink service to the Channel Islands and Normandy, will start an 11-day tour of 11 British towns and cities on Monday.

Print union to consider call for talks at Times

BY ALAN PIKE, LABOUR CORRESPONDENT

THE NATIONAL Society of Operative Printers, Graphical and Media Personnel Executive will on Monday consider a call for some of its members to resume negotiations with Times Newspapers, where all publication has been suspended since November 30.

Mr. Charles Addiman, secretary of the data processing branch of the society, said yesterday that average pay for the computer staff was about £8,000, against more than £7,000 paid to engineers.

APPOINTMENTS

Two new directors for British Vita

Mr. W. E. Holt and Mr. D. R. Hine have been appointed to the main Board of BRITISH VITA COMPANY. Mr. J. M. Hext has been appointed a director of J. & P. COATS.

Able youngsters 'missing education chances'

FINANCIAL TIMES REPORTER

BRITAIN must do much more to encourage 16-year-old boys and girls to get bigger education qualifications, Mrs. Shirley Williams, Minister of Education, said yesterday.

She claimed that it was an illusion to suppose that money had nothing to do with whether a young person stayed in education beyond the age of 16.

She said: "If the inflation level goes beyond single figures, there is no doubt that the social services will be affected because they are so labour-intensive."

Industrial democracy 'on the march'

BY OUR LABOUR CORRESPONDENT

INDUSTRIAL democracy already exists and irresistible social and economic forces are at work on its evolution, Mr. Albert Booth, Employment Secretary, said last night.

Industrial democracy was a tender plant but its roots were firmly embedded in the democratic principles on which British society was based, he said.

Full impact of this joint responsibility will evolve as all great human principles have evolved throughout history.

NEWS ANALYSIS—LORRY DRIVERS' STRIKE

Why haulage men are seeking shorter hours

BY NICK GARNETT, LABOUR STAFF

DURING THE last two pay rounds, private haulage lorry drivers and the men who drive tankers for the big five oil companies have been a thorn in the flesh of both employers and the Government.

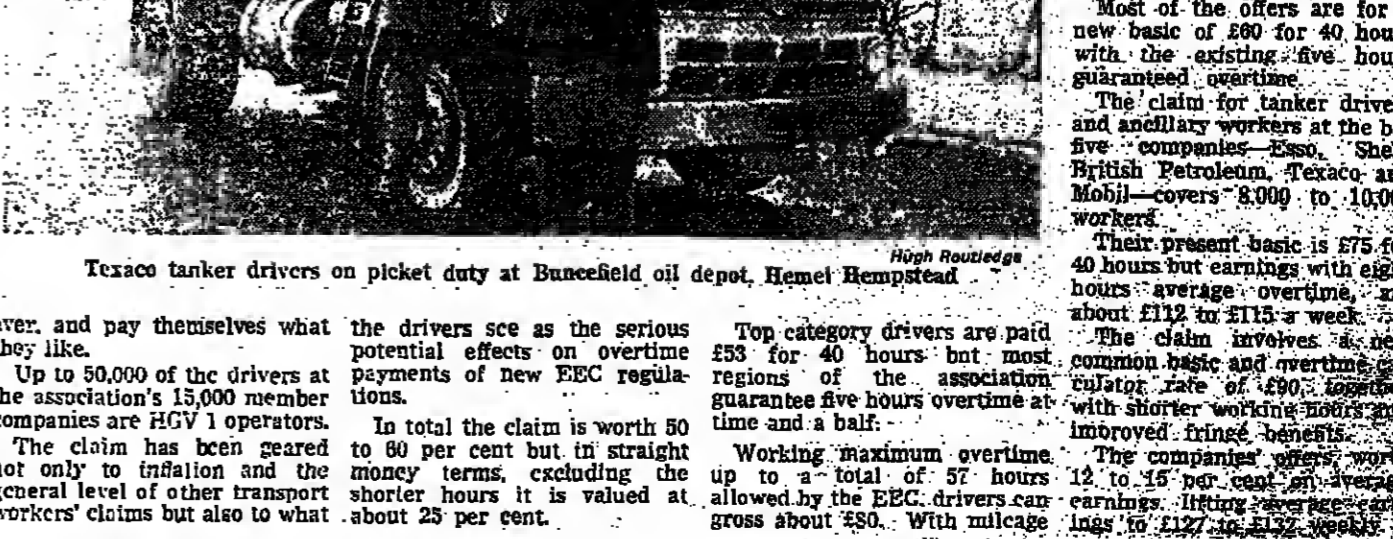
After strikes at a number of hauliers last year, the separate regions of the Road Haulage Association concluded deals worth about 15 per cent, in breach of the then Phase Three pay guideline.

are on strike, however, and picketing has been affecting supplies from other companies' depots.

Again the offers are worth about 15 per cent. This is more than the companies wanted to pay and the Transport and General Workers Union, which represents most drivers, has managed to have practically all productivity-related clauses removed from the proposed agreements.

There is a hierarchy among road transport employees. In private haulage, heavy goods vehicle drivers are separate in categories, with drivers in the top grade, HGV 1 operating 32-ton trucks and other heavy specialist vehicles.

Within the haulage industry as a whole, however, petrol and oil tanker drivers consider themselves to be the elite and certainly the kinds of dangerous inflammable loads they carry gives some justification to this. Their pay, considerably higher than in general haulage partly reflects this position.



Texaco tanker drivers on picket duty at Buncfield oil depot, Hemel Hempstead

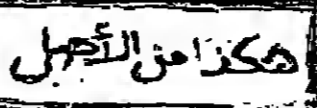
Top category drivers are paid £53 for 40 hours but most regions of the association guarantee five hours overtime at time and a half.

Mr. Bryan Mooney has become director of sales and marketing for HEGRETT AND ZAMBRA. Mr. Barry Mangham has been made production director and Mr. Peter Cooke technical director.

Lorry drivers in a large number of areas, particularly in the North and Scotland are on strike and pay offers of about 15 per cent have been uniformly rejected throughout the country.

Working maximum overtime up to a total of 57 hours is allowed by the EEC, drivers earn gross about £80. With mileage

THE WEEK IN THE MARKETS



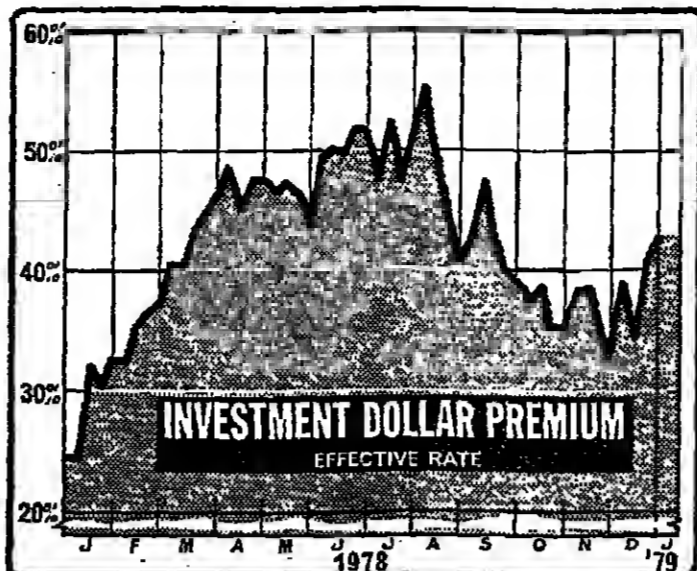
Early promise fades

The New Year began encouragingly in the stock market—but the promise did not hold for very long. A little buying interest on Tuesday caught the jitters short and by Thursday morning the FT index had run up 15 points to 486, although business remained at very low levels.

By the end of the week this technical strength was waning in the face of a depressing news background. The road haulage dispute, extending the skirmishes begun by the tanker drivers at the end of 1978, threatened to disrupt trade and brought labour protests back into uncomfortable prominence.

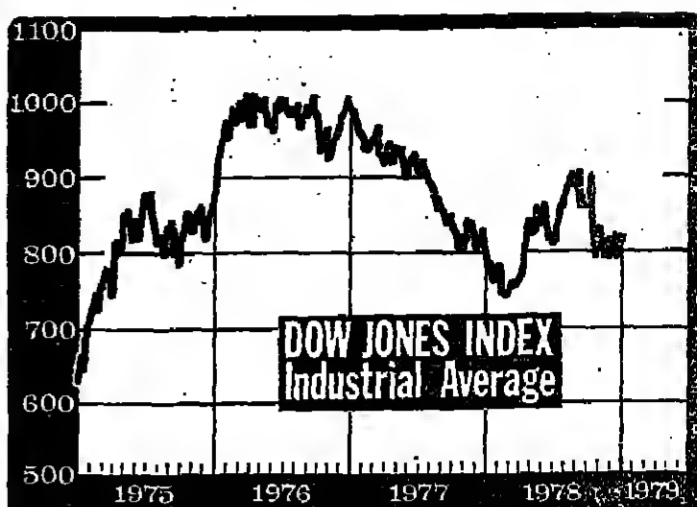
The more jittery the market will become.

The other British listed oil major in Iran, Shell, has not shown any major share price fluctuations and there does not yet appear to be any switching from Middle East oil stocks to North Sea companies. This is probably partly due to the fact that the Iran-induced tightening of spot crude prices is viewed as temporary. Nor is there any apparent switching, at this stage, to U.S.-based oil majors, to some extent because prospects for the investment premium and the dollar tend to discourage the move.



Purposeful New Year

APPROPRIATELY FOR this time of year, there has been an air of resolution about the New York Stock Markets this week. The diffident investing which characterised December has been cast aside like an old stockbroker's report and since Tuesday the markets have taken increasingly purposeful strides into the New Year.



record consumer debt and inflation. The growth rate in the fourth quarter was at least 5 per cent or more and department stores' figures point to record retail sales over the Christmas period. Housing continues strong, industrial production is still rising and as a result many an economist is altering the timing of his recession forecast for 1979.

NEW YORK JOHN WYLES

think will take the Dow Jones Industrial Average up to the 880's in the next few weeks.

Dollar premium

Heavy selling, particularly by Scottish funds, and Irish fears about the possible consequences of EMS membership, drove the dollar premium down in the second half of last year. After reaching an effective rate of 5 1/2 per cent in August, the investment currency subsequently touched 3 1/2 in November.

Table titled 'NET PURCHASES OF U.S. EQUITIES (\$m net sales in brackets)' with columns for Region, First qtr, Second qtr, and Third qtr (1978).

Table titled 'CLOSING INDICES' showing Monday closed New Year's Day, Tuesday, Wednesday, Thursday, and Friday with Close and Change values.

LONDON ONLOOKER

delivery schedules and has obviously decided the situation is critical enough to justify a warning that deliveries could be trimmed by 25 per cent rather than the 25 per cent announced in November.

BP cuts supplies

British Petroleum is currently testing a market axiom—that oil

Norcros bid

Norcros, the engineering, construction and packaging group which owns Hygena furniture, this week announced plans for a £28.8m takeover of Johnson-Richards Tiles.

The move comes just seven months after Hepworth Ceramics abandoned a similar offer in the face of a Monopolies Commission investigation.

The Norcros approach has already been rejected by Johnson-Richards but talks are to take place between the two groups with the possibility that a higher offer may eventually emerge.

A key to any bid, however, will be the reaction of a group of JR shareholders—controlling

a 25 per cent stake—which earlier last year said that the JR Board should consider any offer above 125p a share.

A Norcros bid under the terms of its approach this week would be worth around 132p but this is about 5p less than Hepworth offered last year. Johnson-Richards finished the week at 180p, up from 109p before the bid announcement.

Johnson-Richards controls about 60 per cent of the UK ceramic tile market which last year saw an upsurge in sales on the back of a sharp rise in do-it-yourself and larger-scale

MARKET HIGHLIGHTS OF THE WEEK

Table with columns: Ind. Ord. Index, Price '47 1/2, Change on Week, 1978/79 High, 1978/79 Low, and Bear squeeze in oversold mkt. Lists various indices like Avana, Barclays Bank, Bell, Bellway, etc.

U.K. INDICES

Table with columns: Average week to, Jan, Dec, Dec. Lists indices like Govt. Secs, Fixed Interest, Indust. Ord., Gold Mines, etc.

The new Abbey Gilt and Fixed Interest Trust.

How to take advantage of higher interest rates now and in the future.

The recent rises in yields to 13 1/2% in some cases, have made Gilts and other Fixed Interest investments look particularly attractive at this time. Not only can these high yields be secured now but there could also be considerable scope for capital appreciation when interest rates fall.

Investors should remember that investment in a unit trust should be regarded as long term. The price of the units and the income from them may go down as well as up.

\*We have the time and skills to keep closely in touch with market movements and to act quickly whenever we feel an opportunity has arisen. \*The Trust qualifies as a narrower range investment for trustees.

Gold still has that cosy glow

WHILE Europe freezes, a warm sun in South Africa is still being reflected in the firmness of the gold price. Such is the strength of the demand for bullion and the uncertainty still surrounding the U.S. dollar that the market is still showing a strong bias towards gold.

But the major dampening factor on share prices remains, as ever, the unforseeable political uncertainties. To a large degree these are allowed for in the high dividend yields obtainable, especially to non-UK investors who are not hardened with the investment dollar premium.

For those investors who are prepared to make a small purchase in order to raise the overall dividend yield level of a mixed portfolio Western Holdings should be worth considering with a current cum-premium return of just over 14 per cent and as much as 21 per cent in ex-premium form.

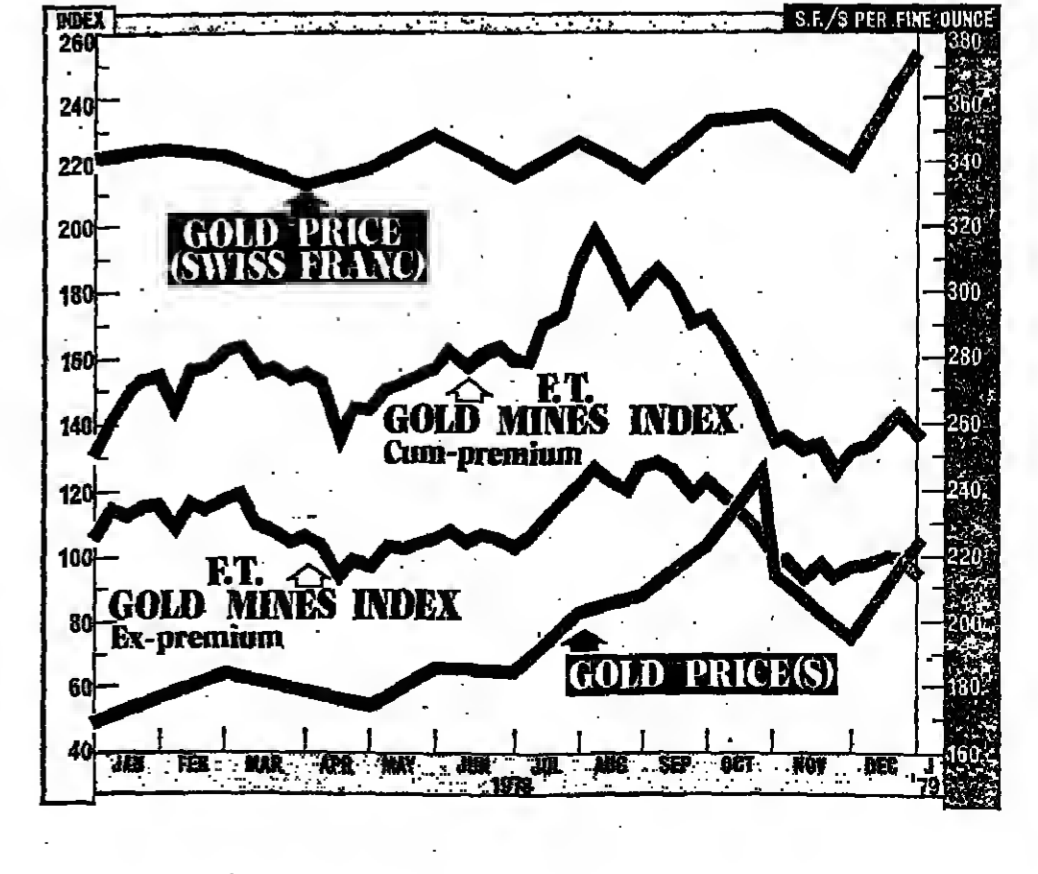
are running at about half capacity as a result of the over-supply situation. Falconbridge says that the partial restoration of production is "designed to put the company in a position to meet anticipated requirements of 1980 and subsequent years."

MINING KENNETH MARSTON

ings should be worth considering with a current cum-premium return of just over 14 per cent and as much as 21 per cent in ex-premium form. Libanon offers around 13 per cent and 19 per cent in the respective forms while West Driefontein gives 10 per cent and 14 per cent. A lower priced share offering 12 per cent and 18 per cent at Driefontein which is owned by Newmont and Amstar.

Better payments are also in store for President Steyn which now offers 7 per cent and 10 per cent while for those who prefer the higher degree of safety afforded by a spread of investment there is the holding company, Gold Fields of South

Africa with current returns of 6 per cent and 9 per cent. \*Shares of Messina (Transvaal) have improved this week following the chairman's comment that the dividend outlook is more encouraging than a year ago. But he still cannot predict an early resumption of dividends after the disastrous year to last September when losses and write-downs of the industrial interests far outweighed the profit made on the South African and Rhodesian group's traditional copper operations.



The investment objectives of the Trust are to provide unit holders with an actively managed fund of gilts and other prime fixed interest securities. The investment return will be a combination of investment income and capital growth.

Here's why we feel that the private investor can benefit from a holding of units in the Abbey Gilt and Fixed Interest Trust, and in particular why current holders of gilts should consider exchanging their investments for these new units.

Units are all of the accumulator type where the accruing income is added into the unit price. A withdrawal facility to provide a half yearly cash income is available for those investors who require it. Please indicate in the coupon below what level of withdrawal plan you would like to take.

The offer price includes an initial charge of 5% plus a standing charge of not more than 1%. A commission of 14% will be paid to authorized agents. The annual management charge is 1% of the value of the units. The Trust is liable to capital gains tax at an effective rate of 10% on the realized gains, other than on gains on gilts disposed of after three years.

The current offer price is 101.10 per unit and this price will be held until January 10th 1979. Other units will be allocated at the offer price ruling on the day of receipt of the application.

To make your investment simply fill in the coupon below and post it with your cheque. Applications will not be acknowledged but you will receive your certificate within six weeks.

Abbey Gilt and Fixed Interest Trust application form with fields for name, address, investment amount, and contact information.

YOUR SAVINGS AND INVESTMENTS

Leaders of the investment trust industry talk to Eamonn Fingleton about the outlook for stock markets and pick a share for the year

Eyes down for the 1979 share game

AMERICA is the place for investors this year, judging by the views of the major investment trust houses.

American shares a better bet for 1979 than British ones.

Johnstone of Murray Johnstone emerged as cautious bulls of the British market.

one of the team—Derek Baer—chose an American share. Lord Remnant, David Stevens, Alastair Roger chose solid British shares and Raymond Johnstone backed a young high-flyer.

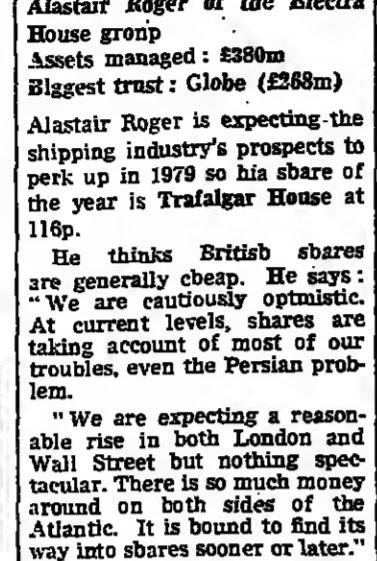


Lord Remnant of the Touche Remnant group. Assets managed: £647m. Biggest trust: Industrial and General (£179m).

Lord Remnant's share of the year, English China Clays at 82p, should benefit from a recent increase in the company's prices.

He says: "Shares should improve after the election because people can then get down to making sensible investment decisions."

Among English China Clays' attractions is that it is hoping to cut costs due to a cheaper drying process.



Alastair Roger of the Electra House group. Assets managed: £380m. Biggest trust: Globe (£268m).

Alastair Roger is expecting the shipping industry's prospects to perk up in 1979 so his share of the year is Trafalgar House at 116p.

He adds: "It makes the most of opportunities and it could do well with its newspapers."

He adds: "The Japanese market is high enough."

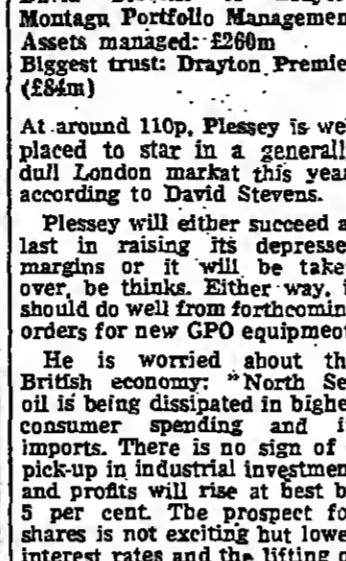


Derek Baer of the John Govett group. Assets managed: £275m. Biggest trust: Border and Southern (£85m).

Worried by election uncertainty in Britain, Derek Baer has gone to America for his share of the year, Gearhart-Owen Industries. It is a rapidly expanding company providing equipment and services for oil exploration.

The sector has long been a favourite of the Govett group and Gearhart's shares at around 53p have quadrupled in two years.

Mr. Baer says: "We are keener on Wall Street than London because America's inflation and its high interest rates are fully discounted in Wall Street share prices."



David Stevens of Drayton Montagu Portfolio Management Assets managed: £268m. Biggest trust: Drayton Premier (£84m).

At around 110p, Plessey is well placed to star in a generally dull London market this year, according to David Stevens.

Plessey will either succeed at last in raising its depressed margins or it will be taken over, he thinks. Either way, it should do well from forthcoming orders for new GPO equipment.

He is worried about the British economy: "North Sea oil is being dissipated in higher consumer spending and in imports. There is no sign of a pick-up in industrial investment and profits will rise at best by 5 per cent. The prospect for shares is not exciting but lower interest rates and the lifting of election uncertainty may help later in the year."



Raymond Johnstone of Murray Johnstone Assets managed: £242m. Biggest trust: Scottish Western (£77m).

Raymond Johnstone is bullish about Britain.

He says: "The pound has been holding up strongly and in spite of this our industry is very competitive and is well-placed to increase exports."

"The caveat is that inflation is in danger of getting out of control again. The size of the BBC pay settlement, for instance, seemed high given that broadcasting is hardly an essential industry."

Who's who in the winners' enclosure

UNIT TRUSTS

EAMONN FINGLETON

IT IS a commonplace in the unit trust world that you make more money backing last year's worst performers than last year's winners.

If you followed this principle slavishly you might end up with a pretty hairy portfolio—one or two notorious funds have in the past managed to end up in the dunces' corner more years than they have been out of it.

But you could hardly find a better example of the principle's cynical wisdom than in the 1978 unit trust performance figures issued this week by Planned Savings magazine.

ALL CHANGE IN THE UNIT TRUST LEAGUE

Many of 1977's losers were 1978's winners. Most of 1977's winners turned in a mediocre performance in 1978. Here are the results you would have achieved over one year with an investment of £1,000, income re-invested.

Table with columns for 1977 BEST PERFORMERS, 1978 BEST PERFORMERS, and WORST PERFORMERS. Lists various unit trusts and their performance metrics.

Figures supplied by Planned Savings

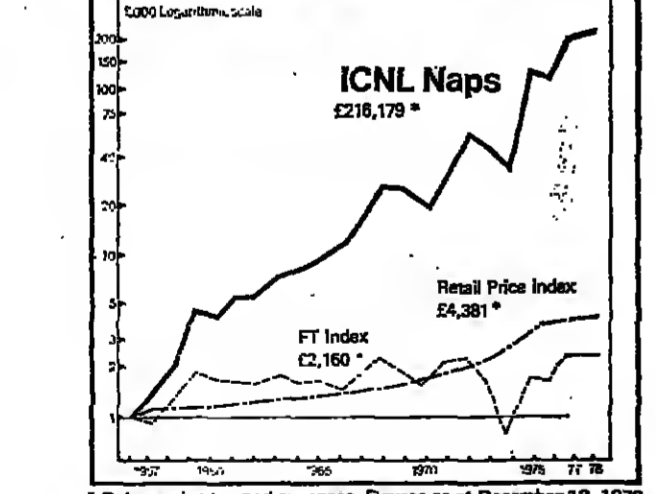
ratios of 20 plus? Most of the major groups shared in the glory of the latest table, which is for the year to date. Monday. Only Britannia among the big five groups was left out: its best performer International Growth was in at number 34.

Endowment policies have always been regarded as the saver's most reliable defence against inflation. At the start of a new bonus declaration season, Eric Short shows that even the best policies maturing now fail the inflation test

Negative return policies

INVESTORS have lost out on their with-profit life policies. Even after taking account of tax relief on the premiums most with-profit policies maturing now today show a negative return in real terms.

DON'T MISS THE NAP SHARES FOR 1979



At the beginning of every year the IC News Letter selects a number of shares (generally six) for capital gain over the following twelve months — its Star Nap Selections.

The chart above shows the cumulative 12-month performance of each year's Nap Selections over the last 22 years, including that of the 1978 selections. If you had invested £1,000 in the 1975 Nap Selections and reinvested the proceeds at the end of each year in the new annual selections, your initial £1,000 would now be worth £216,179 (before gains tax and expenses) against a mere £2,160 if you had invested in the FT index and £4,381 if you had managed to keep pace with inflation.

In addition to its traditional Nap Selections, the IC News Letter gives regular weekly recommendations. The overall record shows that its recommendations have beaten the index by a wide percentage margin averaging into double figures on an annual basis.

The IC News Letter, published every Wednesday, is available on postal subscription only. Use the coupon below to order your subscription now, starting with the 1979 Nap Selections.

Subscription coupon form with fields for name, address, and payment details.

Even with the higher bonuses now being declared for 1978, my conclusion is that people with policies maturing this year will be lucky to get a pay-out worth 80 per cent of the real value of the premiums they paid.

For my investigation, I looked at a 15-year policy with the Equitable Life taken out by a man aged 30 paying £100 a year in premiums. He would have received a cheque for £3,890.38 as the maturity value.

On the face of it that is a reasonable return for his outlay of £1,500 gross and even better on his total net payments of £1,257.93. But it is a different picture if one reassesses the value of the premiums paid and the maturity value in terms of 1964 money.

Since we will not know the January value of the Retail Price Index until next month, it is impossible to be precise in this exercise. But we have assumed that it is 84 per cent up on the value for January 1978, that is 205.6. The equivalent value of the RPI for January, 1964 is 84.6. Thus the maturity value expressed in 1964 terms is £767.58.

But one has to remember that the real cost of paying the premium has also declined with inflation. The gross value has dropped from £100 in 1964 to £28.31 in 1978, the date of the final payment, while in net terms it has fallen from £84.66 to £23.19. The total gross premiums paid in 1964 values is £1,015.99 and in net terms £852.61.

The investor has lost out. If one does the discounted cash flow calculations on the net

Protection money

LIFE POLICIES

ERIC SHORT

IT SHOULD be a truism that life assurance exists to provide life cover. But if you examine the product range of life companies you find they are mainly in the savings business, with protection against early death taking a back seat.

The classic means of providing life cover was through a whole life non-profit policy which provided a fixed amount of cover throughout life. It sold very well until the recent changes in the method of paying commission, because it provided the highest amount of commission per unit of premium.

decide how much profit on the life funds can be paid over to policyholders in the form of bonuses.

Caution is needed during the lifetime of a policy. But when a claim arises, any additional reserves held against that contract are no longer required and could be returned to the policyholder as a terminal or claims bonus. There is still a lot for the actuary to consider in deciding his rates of bonus and ensuring fairness between different generations of policyholders.

A new scheme launched by Scottish Amicable allows endowment policyholders to leave their pay-out with the company while they decide what to do with the money. Apparently many investors simply do not know what to do with the maturity value they have spent years saving towards. Scottish Amicable quotes the case recently of one of its policyholders receiving three cheques for £30,000 each asking the company what could be done with the money.

Many investors leave the money in the bank, usually earning low interest rates. Some more enlightened investors put it in a building society. Leaving it with Scottish Amicable should enable investors paying higher rates of tax to get a better return. The rate they will get will be comparable to what they would get on a two-half investment and the only tax deducted will be at the special insurance company rate of 37½ per cent. The investor will be able to get his money at a moment's notice.

Scottish Equitable has this option on its flexible endowment, but otherwise it is not an option universally available from life companies.

tion over a given period in the normal term assurance manner. At the end of the period, which is usually five years, the investor can convert to a savings contract or a whole life policy if he so wishes without evidence of health. Or he can take out further term assurance without evidence of health.

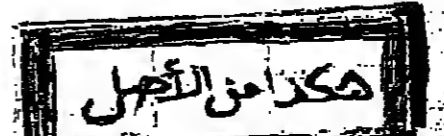
Thus every five years, or perhaps more frequently, the investor can assess how his insurance needs have changed, whether he still needs a high level of life cover, or whether he should change over to some form of savings-linked or with-profits.

More life companies are now marketing this type of term assurance. But a word of warning in selecting the life company. Do not go for the company that gives the lowest term rates. Look into the future and see its record as a savings company. Some are better than others.

Advertisement for Gateway, Nationwide, and G&G Building Societies, featuring reports and accounts.

Does the £25 investor read them? Rameann Fingleton writes: For anyone who does not throw his building society's accounts in the dustbin, there are two things to look for: the society's profits — or "surplus" as it is known in building society Newspeak — and its reserves.

UNIT TRUST AND INSURANCE OFFERS advertisement listing various financial products and providers.



FINANCE AND THE FAMILY

Not a golden handshake

BY OUR LEGAL STAFF

I have been a director of a small private (close) company for over 40 years and plan to retire at the end of March 1979 (aged 70).

A "golden handshake" has been mooted but I understand there is a restriction on a director owning 20 per cent of the issued share capital in a company.

My own holding is less than 20 per cent but with my wife's over 20 per cent. The rest of the shares are owned by my sons or my brother's sons.

Would my wife's shares count in this matter? You will probably recall Mr. David Wainman's 1,400-word article on the tax pitfalls of golden handshakes, which was published in the Financial Times on Saturday, February 19, 1977.

Unfortunately, your fellow-directors do not seem to have read it—or at least they do not appear to have paid heed to the strong warning against golden handshakes being mooted while the prospective recipient is still on the company payroll.

An ex-gratia payment must be made after the employment has ceased, not before and it is also essential that at the date of cessation there should be no agreement or understanding that a payment will subsequently be made.

Do not imagine that nods or winks are permissible. From what you say, it looks as though the proposed payment will be fully caught by the schedule E net (without benefit of the £10,000 exemption or top-slicing relief) and as though the company may have great difficulty in persuading the Commissioners that it was made for the purposes of the company's trade—and hence that it should be deducted for corporation tax purposes.

The Board would be wise to seek the advice of the company's auditors (or other tax advisers) without your or your wife being party to the discussions. The members of your family will doubtless be in mind the CIT angle as well.

Repairs under a lease

I am one of 14 tenants in a block of flats built in 1973 and subsequently conveyed to the X Trust. Various facts and discrepancies with the plans have become evident, but the Trust does not accept liability. I enclose a copy of the lease, which suggests it is their responsibility. Who can we expect to finance a repair of the structural faults? Can the National Housebuilders' Council escape liability by pleading, as they have done, a unique situation?

The lease contains covenants by the tenants to comply with the main structure but at the cost of the lessee's contribution to maintenance. You can therefore call on the lessor to carry out structural repairs, but you would have to bear your proportion of their cost. However, what is unique is a defect in the design rather than a matter of want of repair, you may be unable to establish a claim against the lessor.

nor, but one may exist against the builder (or even architect) to the extent that any of the building work in question was done after 1 January 1974, when the Defective Premises Act 1972 came into operation. You would be wise to consult a solicitor, possibly after getting other tenants to contribute towards the fee.

At least any claim which you can prefer against the trustees who are apparently now the lessors will be effective against them as individuals—and their personal liability might encourage them to take some steps to remedy the defects. We know of no basis on which the National Householders' Council can opt out of the provisions of their guarantee on the footing that the situation is novel or unique.

Gains on shares and unit trusts

Could you advise me what is the ruling relating to Capital Gains Tax, for this fiscal year 1978-79, if shares and unit trusts units are disposed of, as opposed to only unit-trust units.

An example of the 1978-79 capital gains tax rules (where both unit-trust units and ordinary shares are disposed of) was published in the Business Problems column on Wednesday, August 3, but perhaps you missed it.

It would have been easier to give you a straightforward answer if you had given us an idea of the size of the gains you have in mind—particularly if the total is likely to exceed £9,500—but we hope that this brief outline will help you to understand the complex legislation:

- (i) First add up the chargeable gains on the qualifying units; (ii) Then add up the chargeable gains on the shares; (iii) Add the two totals together; (iv) Calculate tax on the combined total at the following rates: (and add up the tax): zero on the first £1,000, 15 per cent on the next £4,000, 50 per cent on the next £4,500, 30 per cent on the rest;

From this total deduct 17 per cent of the first total figure you calculated (17 per cent of the unit trust gains); (vi) What is left is your 1978-79 capital gains tax liability, which is due to be settled on July 6; if the answer is a minus quantity, it simply means you have no tax to pay.

A fresh holiday lease

Under the heading of "A fresh holiday lease" in your issue November 4, you advise that one should have an interval between each letting even when they both are well within the limit of eight months. Why do you say this? I had understood that case 10B in the 1974 Act was intended to allow letting outside the holiday period (for which there seems to be no limit).

for a tenancy of up to eight months provided the premises had been used as for a holiday within the 12 months preceding the commencement date (or date of signing?) of the out-of-season lease.

Does an owner, freehold or leasehold, qualify as having "a right to occupy" the premises for a holiday—as his tenant or a friend obviously would?

The object of the advice in allow interval was to avoid an argument that there was a single letting, artificially divided into separate periods. We agree that it would be possible under Case 10B (now Case 13 of the Rent Act 1977) to have several out-of-season lettings, totalling just short of 20 months from the end of the last holiday letting. However, in practice the economics of holiday lettings makes this unlikely.

Tenants in common

Will you please let me know the precise wording of a letter to make the husband and wife owning a house, tenants in common?

I hereby give you notice severing our joint tenancy in equity in the property known as... and henceforth the said property is to be held by us as tenants in common in equity in (equal) shares.

Dealing with chain letters

A friend of mine has been lumbered with a chain letter by a glib acquaintance which involves putting two lots of £20 in the post to other people. Can you confirm that chain letters are illegal in this country?

Capital gains tax assessment

I own shares in an American company currently being taken over for cash by another American company. Presumably I shall then hold premium-worthily dollars. I understand that any gains become liable for Capital Gains Tax when they are received in the UK. What is the position regarding CGT if the funds are (a) directly transferred by an American stockbroker in American shares, (b) left in an American bank account (authorised by the Bank of England)?

If you are domiciled in England and Wales (or in Scotland or in Northern Ireland), then the answers are: (a) You will be chargeable to CGT for 1978-79 by reference to the excess of the market value of the premium-worthily proceeds (as at the date on which the takeover bid was declared unconditional, if that is later than the date of your acceptance) over the cost of the shares in sterling; (b) Withdrawals from the U.S. bank account will give rise to CGT liabilities, or allowable losses, by virtue of paragraph 11A(1) of schedule 7 to the Finance Act 1965 (which was inserted retroactively by the Finance Act 1968).

On the other hand, if (as perhaps you are implying) you are domiciled in a country or state outside the UK, the position will be: (a) Any CGT charge will be postponed indefinitely, but a double charge might arise if the proceeds of sale of the new shares were eventually received in the UK, by virtue of sections 20(7) and 45(8) of the Finance Act 1965; any loss will not be allowable; (b) Withdrawals from the U.S. bank account will give rise to chargeable gains or allowable losses in the same way as if you were domiciled in England and Wales (because section 43(3)(c) of the Finance Act 1965 deemed the U.S. bank account to be in the UK), but by concession any such gains will probably be treated as covered by section 20(7) so as to be eligible for assessment, on the remittance basis only; losses will be allowable.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post or soon as possible.

We are not aware of any express proscription of chain letters; so that they are not illegal in the sense that their authors or participants commit any offence in sending them. However, a recipient of such a letter is under no obligation whatsoever to take any part in them.

Superannuation and tax

I understand that tax relief can be obtained on insurance premiums provided that the total each year does not exceed one-sixth of "total income" less allowable out-goings.

Can you tell me please if normal contributions and additional voluntary contributions to an employer's superannuation fund count as premiums to be included in the one-sixth?

Contributions to an approved superannuation scheme (which qualify for full tax relief) are deducted in arriving at the "total income" figure upon which the one-sixth limit is based; they are not themselves subject to the one-sixth limit. "Total income" is defined for this purpose in section 24 (3) of the Finance Act 1972, read in conjunction with section 523 of the Income and Corporation Taxes Act 1970.

For future years, the one-sixth limit will only apply if your "total income" exceeds £9,000, because of paragraph 21 (2) of schedule 4 to the Finance Act 1978.

It would have been easier for you to give me a helpful answer if you had given us more facts and figures on the particular case you have in mind.

COINS

JAMES MACKAY

ALTHOUGH the Royal Mint has been producing coins for many countries all round the world for well over a century, it is only within relatively recent years that the Mint has conscientiously catered to the collector market. The turning point came in 1970 with the decimalisation of British coinage.

YOUR REASSURANCE

Chiefchain Trust Managers Ltd. was established in September 1976. Its six trusts, dealing in overseas as well as UK markets, have already attracted funds worth £11 million. This exceptional rate of growth has owed much to the considerable support Chiefchain has received from stockbrokers and investment advisers.

TAX ADVANTAGES

You can sell your units on any normal working day at the prevailing bid price. You will normally receive a cheque within seven working days of receipt of your renounced certificate. The 1978 Finance Act states that unit trusts will pay tax on capital gains at the privileged rate of only 10%.

GENERAL INFORMATION

Until 12th January units will be available at a fixed price of 45.0p each to give an estimated current gross yield of 9.25%pa. The offer will close if the underlying price of units should differ from the fixed price by more than 2½%. Your application will not be acknowledged but you will receive a certificate by 23rd February 1979. After 12th January units are available at the daily published price.

INVESTMENT PROSPECTS

The funds of Chiefchain High Income Trust are invested in high yielding stocks and shares. Our policy is that by far the greater part of the Trust's funds is invested in high yielding ordinary shares. Holdings of preference shares will not exceed 20%. More than this would be believe, restrict opportunities for growth.

SHARE EXCHANGE SCHEME

If you wish to realise a part of your portfolio and invest in Chiefchain High Income Trust, the Managers can arrange to sell your present shares for you, and will absorb all the usual expenses of the transaction. This can give you a worthwhile saving. The minimum purchase through the Share Exchange Plan is £300. Tick the box in the coupon for details.

CHIEFTAIN HIGH INCOME TRUST SINCE ITS LAUNCH, THE UK'S BEST PERFORMING HIGH INCOME TRUST 9.25%pa. ESTIMATED CURRENT GROSS YIELD. FIXED PRICE OFFER CLOSES 12th JANUARY 1979.



Cancelled holiday cover

INSURANCE

JOHN PHILIP

IN THE LAST few days, I expect like many of you, I have been looking at holiday travel brochures—not so much to discover what sunshine bargains are on offer but to find out how tour operators and their insurers are providing package insurance for the package holiday.

At this stage of the year, when one is making the booking and paying the deposit, it is the cancellation section of the insurance which is most important—for much can happen in the next 6 months or so to frustrate plans now being made.

Perhaps not surprisingly, payments for cancellation form by far the most substantial portion of insurers' holiday claims payout.

Normally cover commences straightaway as soon as premium is paid, and the premium itself is an irrevocable non-refundable expense—this year a fortnight's insurance package including the risk of cancellation in the intervening months costs around £5 per person, give or take a few pence, depending on the choice of tour operator and the insurers concerned.

Of course, you are not immediately at risk for the full cost of the holiday; most booking conditions now state that liability for cancellation is on a scale that rises with the approach of the holiday departure date.

Thus cancellation more than 6 weeks before the holiday may involve only loss of deposit, and cancellation in the fortnight immediately preceding departure may involve only a 60 per cent cancellation fee. These terms are set out with varying degrees of clarity in what the operators this year are calling fair trading bonds or fair trading guarantees, but despite this pretentious pseudo-legal terminology, are neither bonds nor guarantees but plain, simple, contracts.

If a holiday has to be cancelled, insurers undertake to "reimburse"—in other words they pay only insofar as the prospective holidaymaker is liable, so that if only his deposit

is at risk then that is the extent of his refund. And it is essential that the holiday is necessarily cancelled for one of the causes specified in the policy—normally inability to travel because of death, disablement by injury or illness, or from quarantine of the holidaymaker or of other members of the holiday party, of specified relations or close friends.

This kind of co-ordination cover provides no protection if for some reason the holiday becomes unattractive—say because of massive oil spillage along the coast, as happened in North Westport, Brittany last year; disinclination to travel, however sensible in such circumstances, is just not enough to require insurers to make payment.

Few insurance packages linked to package tours now have prohibitive age limits; insurers' theory must be that the octogenarian who thinks himself or herself fit enough now in January to fix a holiday for the late summer, must be reasonable cancellation risk.

However, when one enters express cancellation to medical expenses cover (under which the holiday maker can claim only after the holiday has begun) age may be important, for most insurers impose excesses, of £10 or so, both for children and for the more elderly.

Most booking forms require the holidaymaker arranging the holiday to indicate in a small box by a tick, a cross, a circle or some other mark whether, or not, he requires insurance for himself and/or the rest of the party. There is normally no information about the insurance on the face of the booking form, and no questions of the kind that are to be found

in proposal forms. Elsewhere in the brochure, often on the back of the booking form, is supplied information about the insurance: the detail varies, but normally only a "summary" of cover and exclusions is provided, the holidaymaker wanting full details being obliged to go to the tour operator's head office if he wishes to see the full wording of the material policy.

Despite the lack of any insurance proposal form, many of the summaries I have seen carry a paragraph purporting to protect insurers against non-disclosure of material facts. For example: "It is warranted that the Insured Person shall have made full disclosure of all facts material to the contract... with particular reference to adverse health conditions."

But not only is the prospective holidaymaker not asked any questions in the booking form—he is not afforded any space on the form to disclose either adverse health conditions or any other facts that he may guess to be material.

This is why I said earlier that such paragraphs "purport" to protect insurers against non-disclosure. I cannot think that any insurer can stand on such a paragraph—particularly in view of the way that package tours and related package insurances are sold, principally in and through high street travel agents' offices.

In the non life statement of insurance practice agreed with the government by the British Insurance Association and Lloyd's in the spring of 1977, insurers undertook to give non-business proposers, in proposal forms, not only a warning but an explanation of materiality. Where, for marketing reasons, the proposal form is abandoned, in principle, insurers surely must be bound by their undertakings, or in consequence debarrated from raising issues of materiality.

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LEISURE



It was in a week of weather such as we have just endured, some 50 years ago, that Arthur Hellyer left professional gardening for professional writing. For him this golden jubilee week comes in a

year when he also completes 20 years of writing this column in the Financial Times. This picture was taken earlier in the week in his Sussex garden.

Winter pest offensive

ONE OF THE MOST persistent myths of the horticultural world is that hard winters significantly reduce the pest population of gardens. Insects and other small creatures of many kinds are supposed to be killed in vast numbers by prolonged and severe frost and so, when winters promise to be cold, it is assumed that the usual anti-pest measures can be relaxed or even forgotten.

Noticed for they are small, almost colourless and hidden in the apple flower buds which they suck and destroy. If one suspects their presence it is necessary to open some of the buds and find the creamy white aphid-like creatures. By contrast, apple blossom weevil, though also concealed inside the unopened flower buds, proclaims its presence by making them turn brown and remain closed, a condition known as "capping" and immediately noticeable.

Apple suckers often go unnoticed for they are small, almost colourless and hidden in the apple flower buds which they suck and destroy. If one suspects their presence it is necessary to open some of the buds and find the creamy white aphid-like creatures. By contrast, apple blossom weevil, though also concealed inside the unopened flower buds, proclaims its presence by making them turn brown and remain closed, a condition known as "capping" and immediately noticeable.

GARDENING

ARTHUR HELLYER

might hope that the weather would be more favourable for spraying. However, it is much more unpleasant to use than tar oil wash, a nasty yellow preparation which stains skin and clothes and can be very painful if it drifts into one's eyes. I bate using it and when I have to I don an ancient overcoat, pull a hat over my hair, cream my face and wear goggles.

None of these things will have the least effect on pests that are overwintering in the soil. For this cultivation is a first line of defence since it exposes the creatures to birds and the weather. But not all will be destroyed by such safe and simple means and it may well be necessary to supplement cultivation with soil insecticides. The traditional one is lime, quite effective against slugs and first rate at reducing the level of club root fungus in the soil. But lime is not good for everything and, in excess, can have a depressing effect on soil fertility. It raises the pH, or acid-alkaline reaction, of the soil and this can be measured with a simple soil testing kit available from most garden centres.

Return to a happier Anzio

ANZIO IS one of the world's oldest seaside resorts. The pleasant beaches which surround the one-time capital of the Volsci were familiar to several Roman emperors and Nero was born there in 37 BC. Over the centuries, and long before there was fast and easy access from Rome airport, it has remained a favourite year-round resort for successive generations of Romans.

comes to vibrant life. Dress is minimal and informality total as brown bodies saunter slowly along the quay, stopping off occasionally for an aperitif and studying the restaurant menus.

exploring the ocean bed. The introduction of the speedy and comfortable hydrofoil service enables you to spend a full day on Ponza, getting there before 10 a.m. and leaving in the late afternoon.

Cassino '79 Committee has drawn up a commemorative programme on the theme of Return in Peace. Full details are available from the Italian State Tourist Office.

TRAVEL

PAUL MARTIN

not claim to offer luxury standards, some of them face right on to their own private beaches.

If you are there during the summer months, do go across on the 70-minute journey which speeds you by hydrofoil to the undiscovered island of Ponza. You tie up close to the heart of the gorgeous little island capital, a huddle of multi-hued houses, their paint peeling and blistered by the scorching sun, rising above and encircling the harbour full of pleasure craft floating on a sea of transparent aquamarine.

There is no escape from the past even on Ponza. Pontius Pilate had his summer residence here. There are grottoes to visit by boat and every facility for

With an invitation to all those who fought in the two bitter battles, the Anzio/Pilgrimage have arranged a series of packed commemorations on the battle area. The shortest, four-day tour, including charter flights Luton-Rome and visiting the main centres, costs £124 in May and June. There are also eight-day arrangements starting at £151.

ADDRESSES: Altitalia (Jet-Drive), 251-259 Regent Street, London W1R 8AQ; CIT (England) Ltd, 10 Charles II Street, London SW1T 4AB; Italian State Tourist Office (ENIT), 201 Regent Street, London W1; Pilgrimage Ltd, 44 Goudge Street, London W1P 1PH.

Homes from home

WE TOOK a road leading west from St. Raphael and ended up in the environs of St. Tropez. It was an long ago that this jet-set venue to be was yet to be discovered. For a few hundred metres we trundled our tiny Austin along what had once been a coastal railway track. Then we burst out upon a small, hidden bay, in the cliffs above which nestled a few picturesque, but very old, cottages. I think I paid a fortune, £20 a week, for the place, and never was repaid for the plumber who sorted out the flooding, nor the money spent on anti-repellants; nor the lavatory that was hought. But it was a fortnight of idyll. But then perhaps time improves such memories.

Things have changed a little since then, even if villa rental still keeps a few touches of excitement. Most of them seem to involve finding a key, usually held by some ex-colonial English couple who boom efficiency and warn you about over-lipping the maids, and most lie at the end of narrow roads which disintegrate into even narrower tracks. The ants, I find, remain eternally.

Probably the most important change has been that villa rental has become an almost respectable business. Hiring self-catering holiday accommodation outside Britain was a bazaar affair little more than a decade ago. At least today if your rental organisation is a member of the Association of British Travel Agents and holds an ATOL (Air Tour Operators Licence), details should be in the brochure you are protected against financial collapse and have someone to turn to if there are problems.



own way and the traveller could do a great deal worse than simply get those brochures and pick out a particular villa that seems to suit. It is probably as well to bear in mind the words of warning contained in another brochure, that of Tom Hill Travel. Mr. Hill is an experienced packager who enjoys playing the maverick.

He says that four operators, including himself, do not tell photographers to take pictures of the pile of rubble outside the block, or of the view of the gasworks. The photographer picks the very best view he can get. "And," says Mr. Hill, "lively" means "crowded," "impressive" means "big and usually concrete," and "secluded" means it is a terrible journey from the airport.

VILLAS

ARTHUR SANDLES

Villas rental has become enormously popular in recent years, and the reasons are not hard to trace. Primarily you get much higher standards of accommodation from a villa than you would from a hotel of the same price, and you get it with a degree of independence which few hotels can offer.

Villas are so subjective that recommendation is extraordinarily difficult. On the Algarve the only ones I have actually examined are offered by Algarva Villas, Moon Travel, and the Travel Club of Uppminster.

Each bad advantage in their being bitterly cold, even in Austria, and a few extra sweaters and vests would not not come amiss. Beware of frost-bite. If you see another skier with dull white patches on his face, tell him. A warm kiss will bring the blood back. Frost bite does not hurt, in fact you just feel numbness, so it is easy to overlook. The pain comes later.

In the U.S. both the East and the West have been cold, with the East catching the deepest of the chill and not much snow, but the West getting new falls almost constantly. Parts of the East coast ski region has also had big winds—another cause of frost bite.

Wind has also been causing troubles in Scotland where the snow, surprising perhaps to the southern English, is not as deep as in parts of Kent and Gorn-walk. If you plan driving to a Scottish resort call (031) 246 8041 (Edinburgh) for information, first. Access roads are not always passable.

WINTER SPORTS

ARTHUR SANDLES

THERE MAY not be many people in Northern Europe who will agree with the sentiments revealed by the smiles in lots of ski resorts this weekend. After a shaky start the weather has turned favourable, for skiing at least, and conditions look good for the next few weeks. They are, for example, highly promising for the British Championships which take place in Val d'Isere this weekend.

The news is not entirely good. The snow seems to have come from the north, giving good conditions in much of France and Switzerland, but parts of Austria could still do with a little more. If you are about to leave for the mountains, remember that it has

Wind has also been causing troubles in Scotland where the snow, surprising perhaps to the southern English, is not as deep as in parts of Kent and Gorn-walk. If you plan driving to a Scottish resort call (031) 246 8041 (Edinburgh) for information, first. Access roads are not always passable.

Snow reports

Table with columns for location (EUROPE, THE U.S., SCOTLAND) and snow reports (Snow depth, snow quality, etc.).

Ward off Winter chills

Advertisement for Rendell and Son Limited, featuring a photograph of a person and text about winter clothing and services.

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HOTELS

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FALMOUTH, S. Cornwall. Take 'Lisart' for example. It's a bit of Sicily, a bit of St. Raphael, a bit of St. Tropez, a bit of St. Raphael, a bit of St. Raphael.

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HOLIDAY ACCOMMODATION. BRITANNY VILLAS - CHILDREN TRAVEL FREE JUNE AND SEPTEMBER. Contact Primary Villas, 103a High Street, Uckfield, Sussex. Telephone 0436 21473.

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Soviet work horse

BY STUART MARSHALL



The Lada Niva: a Soviet-made five-seat hatchback that keeps on going when the rest have stopped. It has eight gears and four-wheel drive.

THE PROBLEM, though uncommon, is far from unique. You have a weekend cottage, out in the wilds and approached by a couple of miles of unmade road...

Most weekends you go there. The journey is close to 100 miles from town, so you need a car that provides reasonably civilised and not too noisy travel on the road yet can take the rough stuff in its stride.

That is the problem. An answer is called the Lada Niva and I have been driving one for the last fortnight. It comes from the Soviet Union...

The Niva is smaller than a short wheelbase Land Rover and is at least as mobile across really rough country.

Through it is a reasonable ingoing space which can be considerably extended by folding down the rear seat...

where the heater's blast turned her from dripping to dry in less than 30 minutes.

Having driven the Niva last summer on a tank testing ground and been very impressed by the way it walloped in mud and climbed precipitous slopes...

The front suspension is independent; the rigid rear axle again comes from the Lada car. Big and fairly soft coil springs all round give the Niva a better ride than any on-road road machine I have driven...

Its four-speed gearbox is also

from the Lada car; an auxiliary box grafted on gives a total of eight forward and two reverse gears.

The front suspension is independent; the rigid rear axle again comes from the Lada car. Big and fairly soft coil springs all round give the Niva a better ride than any on-road road machine I have driven...

On the highway, it cruises best at 60 mph and, driven with reasonable restraint, will show 23 mpg. If you cruise at 70 mph, the average fuel consumption rises to near 20 mpg.

Because the engine gets in the way, it has not been possible so far to convert the Niva to right-hand drive for Britain.

Frankly, I think it hardly matters. The view all round is so good that within five minutes of taking the car over in the West End of London, I had forgotten all about sitting on the wrong side.

The Niva has all the little 'knacks' one expects of Eastern Bloc imports—warning lights for low fuel, choke and handbrake, twin courtesy lights, cigarette lighter and reversing lights.

At £4,098 on the road, the Niva is cheaper than a Land Rover, less than half the price of a Range Rover and by any standards, an astonishing bargain for these admirable machines...

Seeking the sun to find a game

BY BEN WRIGHT

WHEN EVEN the golf-crazed members of Oxford and Cambridge Golf Society are forced to call off their annual competition for the President's Putter at Rye without a ball having been struck in anger...

There are those, however, who favour Spain's Costa del Sol, if only for the prospect of new courses and nightclubs springing up there with seemingly endless regularity.

Short though it may be, if as an amateur mathematician like myself, you add 10 per cent to the total to convert to yards and make it approximately 6,500. But when playing at the peak of his form in the Spanish under-25 Professional Championship last year, the winner Sevvy Ballesteros...

While still on the Iberian peninsula I personally favour Estoril for its sophisticated charm, while Sotogrande is my favourite complex in Southern Spain.

These are all resorts on the beaten track. But it often surprises me how unimaginative

are most travel agents in planning new golf holidays further afield. The U.S. is simply asking to be exploited as value for money, while the winter Pro-Ams at Mount Irvine Bay Hotel, Tobago, in the West Indies, would also be a must on anyone's shopping list.

But it occurred to me in Australia recently that this Continent is gradually being ignored. It has a wealth of superb golf courses, particularly on Melbourne's famous Sand Bar. And in Sydney, the New South Wales Club at La Perouse to the north of Botany Bay perhaps offers the best cliff-top views of the Pacific Ocean of all.

Test cricket matches thrown in. But I never read of such an article being on offer.

WINNERS OF CHRISTMAS

CROSSWORD



The following are the winners of the Christmas prize crossword puzzle and they each receive a prize of £10: Mr. J. Evans, 79 Deham Avenue, Llanelli, Dyfed, SA15 4DD; Mr. A. C. Gibson, Cradgarr, Bangor, Newton Stewart, Wigtownshire, Mr. P. D. Lyster, 3 Jefferson Court, Marine Drive West, Bognor Regis, Sussex, PO21 2QA; Mrs. H. Walsh, 12 Belvedere Road, Brantwood, Essex; Mr. P. Webb, 3 Greenside, Kendall, Cumbria.

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BOOKS

Untender nights

BY C. P. SNOW

Scott and Ernest: The Fitzgerald Hemingway Friendship by Matthew J. Bruccoli. Bodley Head. £6.95. 188 pages

Ernest Hemingway and his World by Anthony Burgess. Thames and Hudson, £4.50. 128 pages

By Force of Will: The Life and Art of Ernest Hemingway by Scott Donaldson. Penguin. £1.00. 367 pages

Scott Fitzgerald was at the height of his popularity very young. Not yet 35, he was in Paris, drooping himself silly, throwing money away, not clear where it went...

Thus in Paris he discovered, unpublished except in little magazines, the young Ernest Hemingway. Fitzgerald proceeded to lavish admiration.

introductions, letters to New York publishers, offers of money, all kinds of help. For the sake of their future relation, that was fatal. Of all the masters of biting hands that fed Hemingway was the most voracious.

Not as a silent reproach, for Hemingway thought it appropriate to comment on Fitzgerald's failure to all their acquaintances, in particular to the editor they had in common since that last was the devoted and wise Max Perkins, a far better man than either of them, it didn't matter much.

These three books deal faithfully with Hemingway's character. Even by the low standards of eminent writers, he was not a nice man.

It is incontrovertible that Hemingway told lies indefatigably, and perhaps uncontrollably all his life.

That is why usually I can't trust Hemingway's art, or even his well-known idiom, any more than I could have trusted him. Compare Tolstoy, with whom Hemingway vainly gloriously would have liked to compete.

That is why usually I can't trust Hemingway's art, or even his well-known idiom, any more than I could have trusted him. Compare Tolstoy, with whom Hemingway vainly gloriously would have liked to compete.



Hemingway: a compulsive liar

has to become the concealed message of the art, then the real truths are driven out.

creative literature—subdue or abolish all that. When Tolstoy sat down to write, he wasn't out to impose his will upon reality.

More of Bagehot

BY LORD ROEBINS

The Collected Works of Walter Bagehot: The Economic Essays. Three Volumes edited by Norman St. John-Stevens.

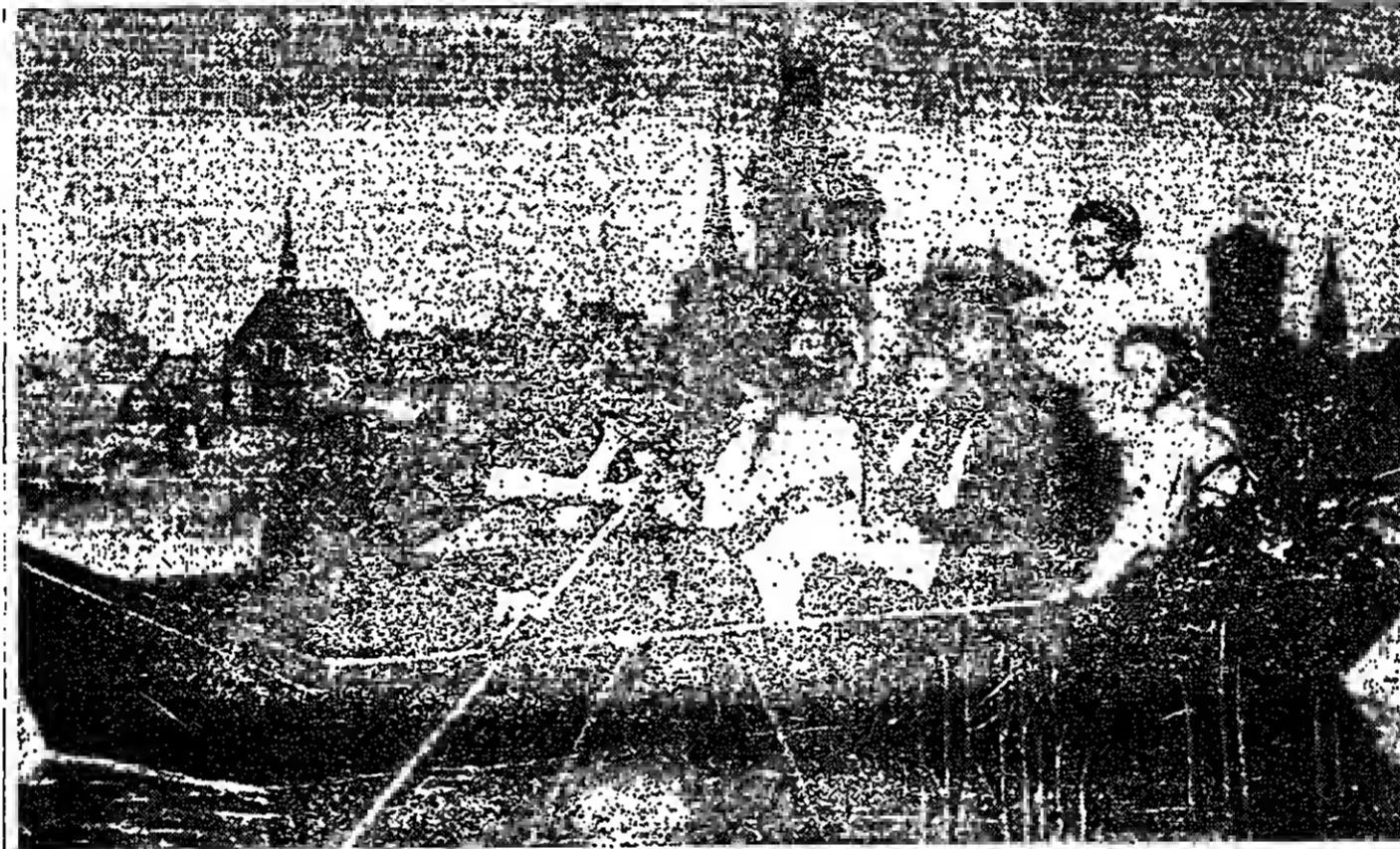
The massive memorial to the greatest editor of the Economist initiated by Geoffrey Crowther and edited by Mr. St. John-Stevens is approaching its end.

It goes without saying that the present instalment, with its wealth of material skilfully identified by the editor and hitherto unpublished save in the journals, particularly the Economist in which it first appeared, must be an indispensable addition to any self-respecting library dealing with economic ideas and economic history.

It would be a great mistake, however, to regard these three books as only of interest to specialists. Needless to say, Bagehot's Lombard Street, at once the most entertaining and deep discussion both of the City of his day and the general problems of central banking stretching far into the present century.

and theory of banking in its various aspects leading up to that sparkling crystallisation of his thought. This is a work which has influenced both thought and practical history.

To his qualities of sanity and profundity as a thinker in Politics, Sociology and Economics Bagehot added what is not so often found in sane and profound thinkers on such subjects: the quality of clarity and inimitable personal style.



"The Sick Call" by Matthew James Lawless—one of many illustrations in "Painters of Ireland" by Anne Crookshank and the Knight of Glin (Barrie and Jenkins £15.00).

Nagumo's hour

BY R. E. COWPER

Japan's War at Sea: Pearl Harbour to the Coral Sea. by David A. Thompson and André Deutsch. £8.50. 222 pages

"This is not the end. It is not even the beginning of the end. It is perhaps the end of the beginning." Taken out of context these famous words of Churchill might well have described the point reached in the Pacific war at the Battle of Midway.

For the Americans the beginning, of course, was Pearl Harbour in December 1941 when the Japanese navy's surprise attack put most of the U.S. Pacific fleet out of action.

Japan had planned a short and decisive campaign: on the following day her troops occupied Thailand, and before the end of the month the U.S. bases of Guam and Wake and the British settlement of Hong Kong had fallen to her powerful onslaught.

There is a special pleasure to be had from a writing biography which derives from the false sense of omnipotence conferred by the biographer's point of view. In command of all the materials and writing with a lofty detachment he sifts the evidence and tells his readers what his subject was really like.

in the period immediately following their attack on Pearl Harbour until the defeat at the Battle of Midway.

William Makepeace Thackeray: Memoirs of a Victorian Gentleman by Margaret Forster. Secker and Warburg. £8.75. 400 pages

There is a special pleasure to be had from a writing biography which derives from the false sense of omnipotence conferred by the biographer's point of view.

markable results. She maintains, and there is no reason to disbelieve her, that she has loved nothing, keeping her imagination on a tight rein.

Her Thackeray is an engaging blend of humour, moral seriousness, touchiness, especially with regard to Dickens, modesty with respect to his own literary stature and an enduring concern with money.

Fiction

Determined ladies

BY ISABEL QUIGLY

The Bookshop by Penelope Fitzgerald. Duckworth, £3.95. 118 pages

My Name is Norval by Terence de Vere White. Gollancz. £5.50. 190 pages

The Bookshop is a spare, sad, lively book that like certain graphic processes using large-scale dots makes its effects by omission rather than accumulation.

From the start her enterprise is doomed because she has refused to co-operate with the local leader of things artistic and social. That such a woman can pursue a tiny vendetta through Parliament may sound far-fetched but the whole operation is understated so skilfully and treated in such an oblique almost throwaway manner, that it becomes a part of the action.

pretty talents used to achieve its ends. Florence Green and her bookshop are swatted not just without mercy but without any admission by the swatter that any such thing was intended.

That this almost-first novel (the author's previous one was a thriller) was short-listed for the Booker prize does credit to the selectors' discernment.

A totally opposite sort of heroine in Terence de Vere White's My Name is Norval, an opinion self-important woman, Miss Kelly, Irish and in her early fifties.

Terence de Vere White hasn't taken the easy way of making Miss Kelly sympathetic. As the story goes ahead she takes on a certain pathos at times, but remains banal, self-satisfied, and pretty unlikeable.

her charm. Things move fast from the controllable to the uncontrollable, with Miss Kelly losing charge early on in the weird relationship, in which feeling is all on the one side, self-absorption on the other, warnings are useless, for Miss Kelly, in spite of her "circle" has no one who really loves (let alone likes) her, and will take the trouble to interfere.

Oddities are made credible, tension mounts in a slow, inexorable way, the circus-spect Miss Kelly finds herself deceiving the police, a drowned sheep suggests memories of a former killing; yet the realism is constant, even, impressive, and modern Irish life at Miss Kelly's sort of level comes vividly across.

The writing is loud and snappy, full of wisecracks and improprieties that seem accepted forms of communications in such circles; as well as the local vulgar dialogue suggesting a realistically presented community where lovers may be met in motels at short notice but children must be collected from school in between and baby-sitters are expensive enough to make the adulterous pause.

Picture puzzle

BY ELIZABETH FORBES

Prelude to Terror by Helen MacInnes. Collins, £1.95. 246 pages

When Colin Grant, youngish, impetuous expert on 17th-century Dutch art, accepts the commission to fly from New York to Vienna in order to purchase a Ruysdael river scene for an American millionaire collector, he envisages nothing more strenuous than a paid vacation in his favourite European city.

through the streets of Vienna and Grinzing out into the Austrian countryside. As always, Helen MacInnes has meticulously researched the background as well as the plot of her enjoyable thriller.

BOOKS OF THE MONTH

Announcements below are pre-paid advertisements. If you require entry in the forthcoming panels application should be made to the Advertisement Department, Bracken House, 10 Cannon Street, EC4A 3DF. Telephone: 01-249-8000, Ext. 7064.

The Chinese Garden Maggie Keswick This beautifully illustrated book, exploring the meanings and symbolism of Chinese gardens, provides a fascinating insight into a great civilisation and into the lives of those who shaped it.

Trade unions and the ILO A Workers' education manual This manual provides considerable information about the ILO itself (its origins, how it operates, the main areas of its action) and about the role of trade unionists in its work.

Restructuring of industrial economies and trade with developing countries By Santosh Mukherjee assisted by Charlotte Feller

An introductory course in teaching and training methods for management development Management Development Manual, No. 36, 6th Impression 1978.

In short—Builders

BY H. A. N. BROCKMAN

The Perpendicular Style: 1380-1485 by John Harvey. B. T. Batsford. £12.50. 300 pages

John Harvey bases his study on buildings alone, apart from any place they might have in their surroundings. His analyses are painstakingly detailed and instinct with a deep knowledge of his subject.

Crown. This exhaustive work of scholarship is a bibliography, a table of dated buildings, a glossary and index.

West Yorkshire: Architects and Architecture by Derek Lidstrom. Lund Humphries. £30.00. 400 pages

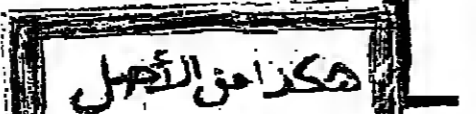
This splendid work of devotion to a subject, allied with a life-long knowledge of West Yorkshire, takes the form of a critical assessment of the work of 200 architects from oedipal times to 1900.

Traces historically the changes in labour markets of industrial countries during the 1960s and 1970s. Studies implications for the trend towards free world trade. Also refers to developing countries' needs.

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public.

ARTS AND CRAFTS IN BRITAIN AND AMERICA Isabelle Anscombe & Charlotte Gere. This well researched and superbly illustrated book traces the history of the Arts & Crafts movement and includes a detailed chronology and biographical accounts of all the principal figures.

For advertising details please ring: 01-248 8000 Ext. 7008 LOCAL AUTHORITY BONDS Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public.



HOW TO SPEND IT

by Lucia van der Post



is back



I'M SUFFICIENTLY elderly to be pleased to see another Biba back in town...

This porridge-coloured 'crepe' dress with padded shoulders and soft gathers is typical of the fashion at the new Biba...

FASHION

lingerie—long, wrap-around gowns for £11.95, long loungers with polo necks for £11.95...

help you buy: I remember standing helplessly in the old Biba, dying to buy and finding girls too bored by me...

Time to stitch

NOW THAT we're all snowed in and most of us have a distinct reluctance to go out except when vitally necessary...



The beauty of this kit (also from America) is that when you have worked it you just need to buy the filling...

Manor (morning coffee and lunch with sherry beforehand are part of the course).

Secondly, in the stables is one of the most fascinating needlework shops in the country.

The Adlas' aim is to provide an alternative to what everybody else has, and what they feel is principally lacking...

There are also a few supplementary services—for instance they will hand-paint canvases to order...

Finally, there is the Adla Finishing Service—of inestimable value to all those people who make up their canvases...



A hand-painted canvas from America. Each stitch is painted on to the canvas, all the wools are in lovely colours...

to do next. The Adlas will turn them into cushions, have them framed, fit them into your chairs...

A pinch of salt

SOME NICE, old-fashioned domestic advice from RHM Foods this week. Since we live in what is laughingly called a temperate climate...

Silk 'n' satin

READERS may remember that last year I showed Harriet Wincote's lovely kits for making your own patchwork quilts...

Quiz news

As the weather has been so appalling recently and the post from some country districts seems to have been held up...

TERRINE OF HARE

1 1/2 lb hare, hare livers, 1 lb pork belly, boned and skinned, 8 oz bacon fat, sliced about 1/4 inch thick...

well into the meats with your hands. Combine the wine, brandy and left over gravy with the mixture...

Hare today, hare tomorrow

IF YOU have the sort of men in your household that you can despatch with guns and instructions to return with two young hares and four pigeons...



then gamey without being too obviously so, the meat is tender and, as long as you counter the tendency to dryness...

ROAST HARE

(for 4 to 6 people, depending on appetites) 2 whole hares or leverets, 1 green pepper, 1 mushroom...

Wash the hares well in salty water, having removed the liver, heart and kidneys (save the liver for the terrine). Soak the hares in salty water for 30 minutes...

PIGEON BREASTS

4 pigeons, approx 1 oz butter, 4 mushrooms (about the size of a 50p piece), 1 lemon, 6 oz fatty bacon, scant 1 pint good dry white wine...

To remove breasts on the bone, insert sharp kitchen scissors in the rear, snip all round the breast formation...

NEW—AND EXCLUSIVELY FOR WOMEN

The Woman's Financial Letter —with Sheila Black

Isn't it high time that the special needs of women in respect of money matters were given special consideration?

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LEATHER CAPTAIN'S CHAIR DIRECT FROM MANUFACTURER The elegant Captain's Chair is now available at only £225 inc. VAT...

Put bacon fat in the meat tin with the juices, mushroom and green pepper, boil fast to reduce it by at least a half.

The illustrations are reproduced from The Sportsman's Cookbook by Mrs. E. M. Walker (Hutchinson, £7.95) which was reviewed on this page on December 23.

Combine the sour cream and egg yolk. When pigeons are ready, remove bacon; put them in a serving dish and keep hot.

Or phone 01-597 7337 (24-hour answering service)

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12 MONTHS TO PAY - INTEREST-FREE Until January 31st, you can have an Interest-Free Credit Sale Agreement...

Harrods Cardholders can charge Sale goods to their account, or any of the following credit cards may be used: Access, American Express, Barclaycard, Diners Club.

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# BOATS

Britain's £300m-a-year boat building and equipment industry is a keenly competitive market, based upon a widening world demand for boats. Customers at this year's Boat Show at Earls Court are discovering some "wonderful bargains", reports ROY HODSON.

## Weather eye on costs

THE UNOFFICIAL theme at this year's Boat Show at Earls Court is cost awareness—though economies are admittedly hardly in evidence at the champagne end of the trade. A big fleet of expensive new Admiral's Cup yachts is being commissioned of the leading designers by racing men who are hoping to be selected to represent their countries in this world competition to be sailed in British waters in the summer. And a British boatbuilder who recently supplied an Arab customer with a luxury motor yacht capable of cruising at more than 30 knots has had an approach from another Arab for a similar vessel "but ten knots faster please."

But outside those esoteric circles people are managing their boating on limited budgets. Both customers, and the British boat building and equipment industry with almost £300m-a-year turnover, are much concerned with getting and giving better value for money this year.

The industry is not having an easy time either in the home market or abroad. Rising prices are clashing headlong with increasing consumer resistance. Buyers are proving more choosy. While the very best boats are still selling well the era of months-long order books has passed for many companies. Some of the biggest companies with strong production and marketing organisations are able to live with order books for only five to six weeks ahead. But it is not an easy market for the smaller companies. Some fear they could be squeezed out of business by keener price competition.

The makers of sailing dinghies, for instance, are finding the going particularly difficult. The prices of some well-equipped trailerable dinghies suitable for family sailing have now been forced up to levels at which a family will be tempted to invest in a second-hand cruising yacht instead.

Another indicator of resistance to the rising costs of boating is the growing popularity of offshore one design racing. Even the most dedicated racing men are finding it difficult to accept the fact that boats newly designed to the Inter-

national Offshore Rule can be completely outclassed within one season. The claimed advantages of offshore one design racing are that the boats will remain competitive for many years, and also continue to be good financial investments while raced in their class.

In the smaller sizes offshore one design racing has become very popular. The Sonata fleet—the biggest in action in British waters with 200 boats—is providing exciting racing. Another small design the E-Boat is making its mark. Finally, a group called the British Offshore One Design Conference is trying to organise one design sailing nationally for bigger boats by selecting three designs for competitive sailing. They are the OOD 101, the Impala OOD 28, and the OOD 34.

Most items that are newly on offer at Earls Court this year—dinghies, sailing yachts, motor cruisers, fittings, engines and electronic gadgets—are being marketed with stress laid upon claims that they will prove a better buy for the yachtsman. Lower prices and greater efficiency are the two most widely-heard sales pitches.

This keenly competitive market based upon a widening world demand for boats and equipment is throwing up some wonderful bargains.

Power units for boats are, in real terms, cheaper and more suitable for the job than ever before. The outboard motor manufacturers have lowered their prices and improved their sales and service organisations in the course of an international marketing war which has embraced American, European and Japanese makers. There are good discounts to be found by the buyer with cash in his hand.

Rapid advances are being made in the design of small diesel engines. Because of their dependability and low fire risk they are the nearest to the ideal power unit for most small boats. This year there are more highspeed, lightweight diesels at competitive prices on offer than ever before in the range up to 30 horsepower.

Petter Marine Diesels stole the show a couple of years ago with its new designs for small

horse power engines. This year it looks like repeating its success with an extended range using a marine version of the Volkswagen Golf diesel.

One of the fastest-growing sales areas in yachting is marine electronics. The micro-processor, the radio synthesiser, and solid-state electronics are bringing dependable and reasonably priced electronics within the range of the majority of boat-owners. It is becoming quite usual to fit out family cruising yachts with VHF radio telephones, wind and speed instruments, echo sounders and electronic self-steering gear.

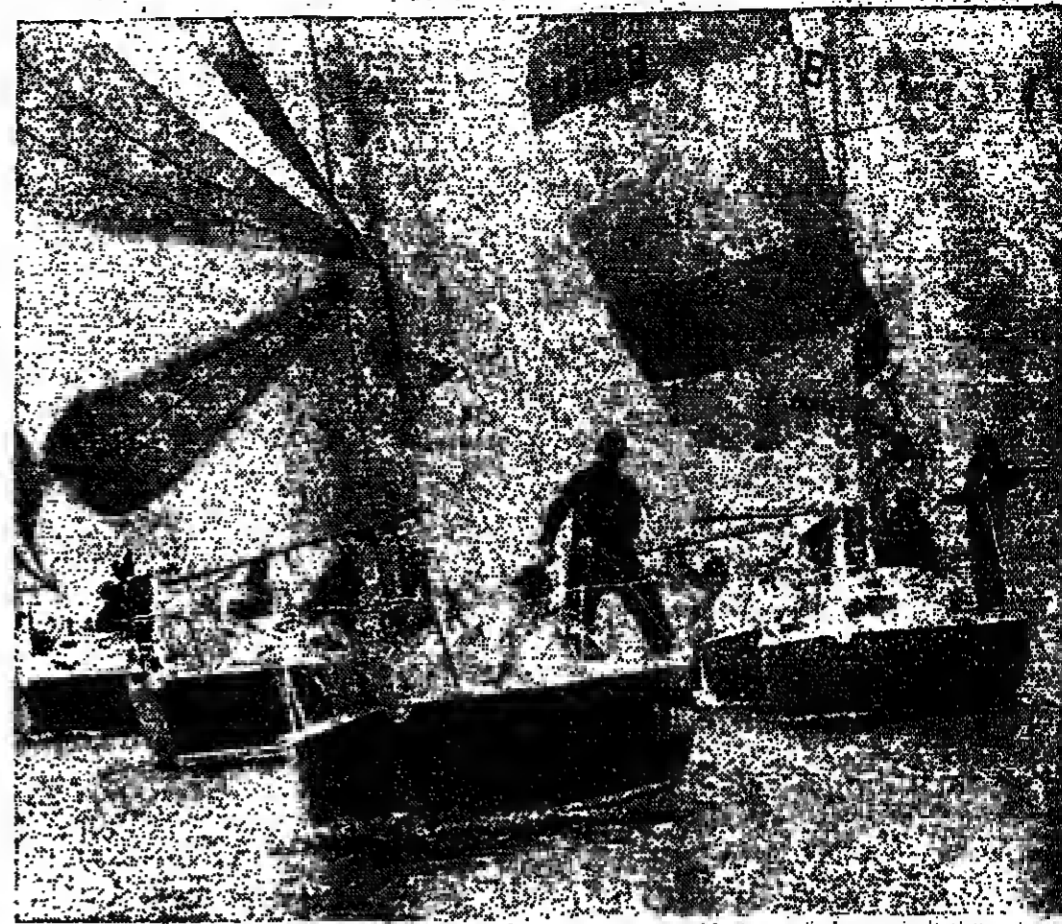
The big companies are keeping down their prices by volume production. Their products are so competitive that something of a shake-out is going on among a number of small manufacturers.

One British company, Nautech, which started business only four years ago has sold more than 15,000 automatic steering gears worldwide, and this year is extending its range to provide versions for weekend sailors and world-girdlers, with adaptations for both wheel and tiller steering.

Electronic Laboratories of Poole, which made its name with the Seafarer echo-sounder, now found as standard equipment on most boats, is now challenging with a new autopilot for small yachts at an estimated £99 VAT. That company has also introduced the cheapest VHF radio telephone yet seen—a 12-channel set called the Mini-Seavoice at £199 plus VAT.

Another British company has introduced a brilliantly designed direction-finding radio called the Aptel DDF 300, which has already been proved in one season of generally poor weather that it can make life a lot easier for sea-skippers. Using digital radio principles 10 channels radio beacons to be located quickly and certainly.

It is the forerunner to a looming revolution in radio naviga-



One design racing is booming. The Sonata 7 One Design fleet in action.

tion. Trinity House is in the final stage of experiments with a new system of radio light-bouses which, when installed, round the coasts in the 1980s, will enable bearings from headlands to be read from a digital indicator in any weather conditions. The necessary radio sets for use on board are expected to cost well under £100.

The two areas of sailing expenditure in which it is proving hardest to contain costs are the building of boats, and mooring them or berthing them thereafter.

About 18,000 glass-fibre boats will be built in Britain this year. That method of construction now dominates the market. A few yachtsmen lore wood with sufficient passion to be prepared to pay for wooden construction and the consequent upkeep. Aluminium is a popular material for outrigger racing yachts built to save weight almost regardless of cost. Steel has definite advantages if an exceptionally strong boat of above 40 ft is required for ocean sailing. But probably nine yachtsmen out of every ten now put to sea in glass-fibre moulded hulls.

Unfortunately, the cost of the oil-derived resins used in glass fibre construction is continuing to rise. Moreover the building method is highly labour intensive. Each piece of glass matting has to be laid inside a mould by hand and then impregnated with resin by an operative using a brush or spray.

The industry is now wondering whether the Lynton helmsman and yachtbuilder Mr. Jeremy Rogers may be pioneering a new system which could cut the labour costs of glass fibre construction dramatically and thus help to stabilise soaring boat prices.

Borrowing techniques developed by Lotus for the production of glass fibre car bodies he is using a vacuum-assisted resin injection moulding process to build a new boat, the Offshore One Design 34. The technology has been licensed from Crysic Systems. It involves a high capital outlay because two moulds—a male and a female—are needed for a boat hull. The glass fibre matting and other reinforcing materials are "laid up" dry, the two moulds are placed together, and then the resin is injected. The new

method is being used to build an Admiral's Cup contender, so it will be given a thorough proving during the coming season.

However, there is little chance of new technology solving the problem of congested harbours and marinas unless yachtsmen turn to the Japanese practice of hauling their boats ashore after every sail.

"We are finding we cannot sell boats because we cannot find places for the owners to keep them," said the sales director of one big company. As far as the South Coast is concerned—and British moorings congestion is worst between Dover and Poole—the industry reckons its sales record has only been saved during the past year by the opening of the Brighton Marina, which has provided 2,000 new berths. In most harbours the waiting list for moorings and marina-berths is now between one and seven years.

The growing shortage of moorings is thought to be as important a factor as the high cost of boats and equipment in encouraging the boom in yacht chartering described below.

## Growing demand for charters

A CANAL boat in Wales, a cruiser on Ulster's Lough Erne, a river boat in France, a berth on Thames barge, a sailing yacht in the Aegean, two weeks before the mast boating along the Brittany coast, full service and free drinks on a luxury motor cruiser in the Caribbean—the hire and charter operators can supply all these permutations on the boating theme.

This year the charter companies' bookings were going well even before they manned their stands at the Boat Show. The Caribbean cruising ground, where the season extends from December to mid-April, has done good business. Many of the yachts in the trade there will be crossing the Atlantic in time to start a new programme of cruises in the Mediterranean from May onwards.

Yacht chartering used to be an up-market sort of holiday for the very well-heeled. But lately it has become much more competitively priced as big companies and the owner-skipper of single vessels compete for business. Meanwhile, the packaged holiday business, with its offers to fly you out to the sun and provide a yacht for the duration of the holiday, has encroached to some extent on the traditional preserves of the charter companies.

Holidays Holidays is one of several companies providing family sailing in Mediterranean waters this year. Its flotilla of Jaguar 27-foot yachts sails from Corfu once a fortnight. The idea is that as part of the "fly-yachting" package families which might not have the confidence to navigate the Ionian Sea in their own boat or a one-off charter can cruise in convoy.

If the flotilla idea does not appeal it is possible to charter a sailing yacht with five or six berths in Greek waters—without skipper or crew—for between £80 and £90 a day. There are broadly three forms of rates for chartering fully-crewed yachts. Western Mediterranean Terms cover the South of France, Spain and Malta. The charterer pays for the boat and the crew. Everything else is paid for at cost price. It is usual for the leader of the party to have a discussion with the skipper at the start of the cruise about the proposed itinerary and likely fuel requirements. Meanwhile the leading lady in the party will consult with the steward/cook (who is often the skipper's wife) about the food and drink that will be required.

In the Eastern Mediterranean charters are often arranged on so-called Greek Terms which cover everything, including fuel, except the food to be consumed by the charter party. West Indies Terms are slightly different again. They are usually all-in except for alcohol—that last limitation has been introduced in recent years as protection against thirsty Texans!

Compared with the £80-£100 a day total fee for a bareboat

sailing yacht charter a luxury motor yacht looks expensive. A typical rate for an eight-berth vessel with a crew of three would be about £700 a day.

But the demand has been proved to be there. Bookings are rising every year. Camper and Nicholson, the British company which is the largest agency in the charter business, now has more than 500 yachts on its books in the Mediterranean and West Indies.

The business is also becoming more professional and competitive. Purpose-built motor yachts of around 80 ft to 100 ft in length and owned by companies or consortia are being put into the charter business. Properly managed, they can provide a good return on capital. And vessels can be expected at least to keep their original values in real terms in an inflationary world.

Camper and Nicholson is attaching sufficient importance to the trend towards custom-built luxury charter yachts to be offering a new design for a £700,000 vessel. Essentially it is a mini-cruise liner of 90 ft with identical staterooms for about ten people. Yet it is capable of being worked with a crew of only five.

While Mediterranean and Caribbean chartering is clearly the short route to a luxury holiday about a great many of us remain devoted to the art and mystery of course sailing.

The joint Government-Royal Yachting Association campaign of the last few years to achieve better standards of amateur seamanship and navigation has produced its own spin-off in the form of a number of competent

sailing schools offering courses towards the DITRYA watch-keeping and yachtmaster certificates.

A number of husband-and-wife teams are choosing to sail in those school boats as their annual holiday, gaining in proficiency every year while perhaps saving up towards a boat of their own.

Another trend is for fellow students at winter night classes run by sailing clubs and colleges of further education to club together to charter a boat in the summer to put their newfound knowledge to the test.

The standards of instruction must be good. For the insurers say that in actuarial terms, by far the most dangerous situation for a boat is when hauled out in a boat-yard where it is vulnerable to accidental damage and theft.

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Of course, Vilamoura Marina was planned for boats and people. Boats like yours. People like you, your friends, your family. In a part of the world where all four seasons are summertime, a Marina whose waters are always calm. Where pollution hasn't yet arrived. Fitted out with the most up-to-date equipment. Floating catwalks with electricity and drinking water. Repairs to boats, engines and sails. Firefighting and permanent watchman service. Wintering. Not to mention weather reports, telex, V.H.F. etc. And for your passengers and crew, all the amenities of one of Europe's biggest and most complete private tourist undertakings. Set amid green fields are hotels, apartments and villas. Casino, restaurants and night-clubs. Riding centre, beaches, swimming-pools, tennis courts, shopping centre. And last but not least, two magnificent golf courses stretching through pinewoods. Vilamoura Marina, a "must" on your route. For your boat. For your family. For yourself.

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Tangier	129
Gibraltar	132
Porto José Banus (Marbella)	178
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The fiscal advantages to many people in different countries are enormous. Accelerated depreciation for tax purposes can be very beneficial to those with high earned incomes etc... This is now all possible due to the growth of Yacht Charter Holiday and the possibility of covering all operating costs and, above all, it should be an investment that should save you a lot of money. It is important to think of this vessel as a fully commercial mini-cruise liner and not as a pleasure craft, and that is why this business will be called "PRIVATE YACHT CRUISES".

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كرد ان التحويل

PROPERTY

Buying a place in the sun

By JUNE FIELD

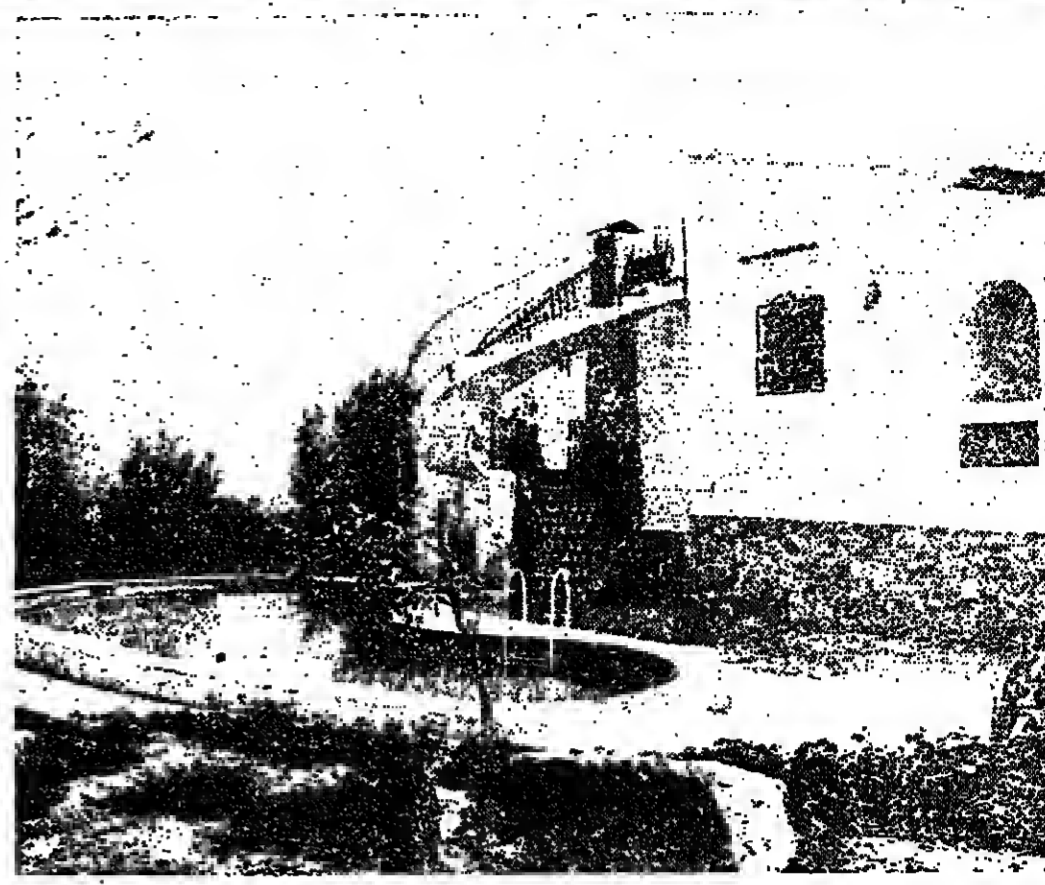
IS THIS THE YEAR to buy a place in the sun? The hectic weather has brought a bumper crop of enquiries...

problem either, as many units are sold off plan. The Spaniards themselves, as well as the French and Germans...

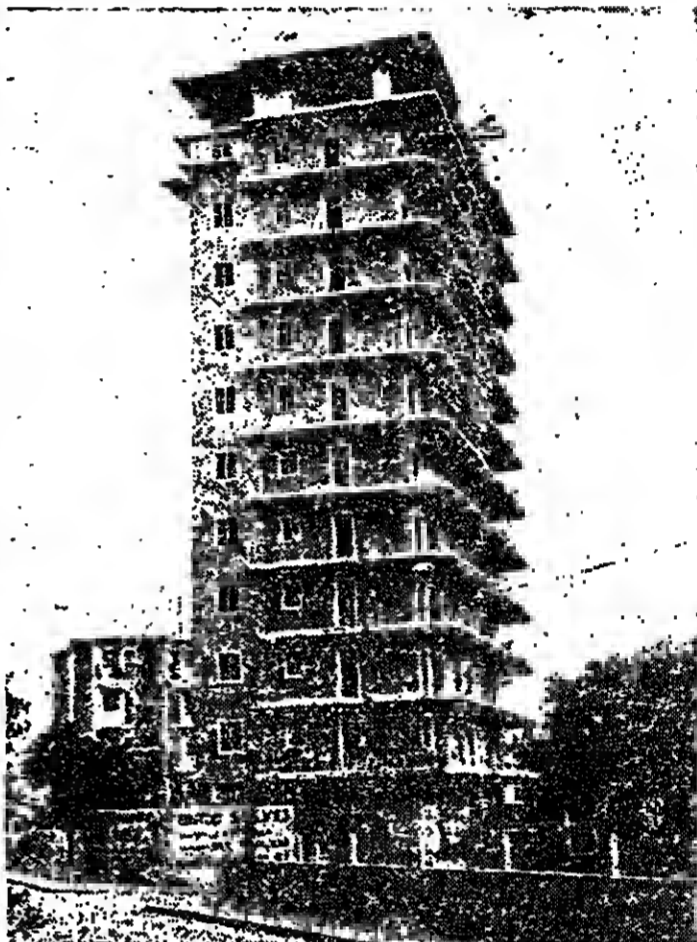
able barrier for most investors. The astute plot the movement of the premium, which over the past few weeks has fluctuated between 35 and 40 per cent.

New projects in the Balearics since the slump of 1973 have been thin on the ground, with holiday places greatly in demand from overseas residents...

Prices on their resale list start at £8,000 for studio apartments in Ibiza (San Antonio and Cala Llonga)...



Above: Typical villa built by Vibes at Aldea de las Cuevas, in the hills above the old village of Benidoleig, on Spain's Costa Blanca.



Left: A 12-storey apartment block being built just off the sea-front in a small resort near Alicante.

Spoken and silent muse

IT IS ONE of the sad facts of our period that poetry is marginal to the lives of most people. Radio does what it can for an art which was once one of the chief glories of England...

of poetry one was made to learn by heart was not by Yeats or Dylan Thomas but something more jingly and simplistic in its appeal to the emotions...

PAPERBACKS

ANTHONY CURTIS

Which English poets were recited in classrooms and drawing-rooms? The question has been answered recently by Kingsley Amis in The Faber Popular Reciter...

gaunt, Henry V, Mare Antony), Milton too (On His Blindness) and Shelley (Ozymandias).

Many of the other high-scoring are not great or good poets but what Orwell called 'Kipling, a good bad poet'.

We have learnt to mistrust poetry which is a graceful monument to the obvious and one of the poets who have made us suspicious of it is T. S. Eliot.

pamphlet form; a shilling for about 15 pages of text and they sold like hot cakes during the war.

Since Eliot died in 1965 we have had precious little from or about him in the form of posthumous publication; no biography, no letters, only a facsimile and transcript of the original drafts of The Waste Land edited by his widow, Valerie Eliot in 1971...

George Harris, OSL promotions manager told me: 'I take care of all the fussy details for you, including cleaning the property at changeover time, looking after keys, and organising flights, transport and car hire, plus a special scheme to cover any UK airport delays, your tenants take advantage of our economy travel arrangements, we can help boost rental income. Only the owner knows the exact costs which are kept confidential.'

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25th London International Boat Show 79. Earts Court until 14th January. The fleet's back in Town and the Navy's here!

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Curtless. We do not claim to be magicians. We do try harder to find good tenants for good properties. If you wish to let a flat or house in London, please telephone us to discuss your requirements.

ARTS

Forster's friends

On New Year's Day Kaleidoscope devoted the whole of its half-hour to E. M. Forster, the centenary of whose birth it was. Lord Annan, one of the contributors to the programme, suggested that it was characteristic of Forster's irony he should have chosen to be born on a day when no one was about in the university to celebrate, and which was one of the more seasonal festivals of the Church, the Feast of the Circumcision. Be that as it may, and interesting as this programme was within its restricted compass, I would have expected BBC radio to have used the occasion to go into the whole subject of Forster and his influence in rather more depth. Forster was after all one of

RADIO ANTHONY CURTIS

radio's own. He had a distinguished career as a broadcaster on the overseas service during the war (not once mentioned) and the tiny extract of him live in this programme, explaining that he wrote for two reasons "to pay to make the respect of people I respect," whetted the appetite for more. I once met Forster, during the 1950s in the rooms of Emmanuel College Cambridge of P. N. Furbank who became his biographer. The novelist gave the impression of a gentleman farmer in a tweedy, hairy suit, with wisecracks, a gold hunter in one of the pockets, the chain around his chest giving the perfect Edwardian finishing touch. The face was kindly and a little sad, the features flushed and seemingly weather-beaten. As we sat on the sofa together and talked for five minutes I was struck by what many others have observed, his immense warmth and responsiveness to someone totally obscure he had met for the first time. He did not seem confused with that quick mask of amiability donned by best-selling authors at publishers' launching parties. We talked, I remember, about Thomas Hardy of whose fiction Forster had a surprisingly low opinion. Certainly in recent years it is Hardy who has had the last laugh. His general reputation stands much higher today than Forster's and the 50th anniversary of his death last year went off with a bang whereas Forster's centenary has so far inspired only a whisper. It is this because the current generation



Eileen Baytey

It's Nothing Serious

This well-intentioned revue by Sue Tilling, Richard Ritchie and others at the Round House Downstairs suggests an evening of charades with a party of Young Conservatives unfamiliar with the theatre of our time and probably indifferent to it. In a village hall in the Cotswolds before an audience of the company's friends I am sure it

THEATRE B. A. YOUNG

would be a wow. There are people who enjoy such trendy amusement; I sat among a houseful on Thursday; but they are not for me—nor, I suspect, when even an evening of Herbert Farjeon failed to draw, for today's public. For the benefit of those who wish to try it, It's Nothing Serious consists of a series of short numbers, mostly musical,

Fille/Nutcracker

I must record that in the first week of 1979 London Festival Ballet gave two performances of The Nutcracker, at the Festival Hall, and the Royal Ballet gave two performances of La Fille mal Gardée at Covent Garden. Never send to know for whom the bell tolls; it tolls for British ballet. What omens for the future can be read into these facts—of lack of enterprise, of lack of funds, of artistic inertia—will doubtless be made clear as the year progresses, even if ballet doesn't.

BALLET CLEMENT CRISP

company—who might, after nearly fortnight of twice-daily appearances, be understandably numb with forced joviality—seemed in good heart. I enjoyed especially Michael Pink's impersonation of Herr von Rattenstein, whom he shows as a teichy and almost collapsed old grotesque, like some ancient politician caught slumming. The real purpose of my visit was to see a new recruit to Festival's ranks: Jay Jolley, latterly with New York City Ballet, is a very welcome acquisition. A tall young dancer with a strong clean style, he is not offered many opportunities either by the choreography or by the confines of the stage—and his costumes have a Sm-like meagreness—but his dancing suggests reserves of power and a bright muscular response to whatever demands are made of him.

THEATRES THIS WEEK . . . AND NEXT

ICA—The Warp. A ten-part philosophical comedy in the Ken Campbell manner, one part per night, all ten next Thursday. Quite unlike anything else you have ever seen. Reviewed Thursday.

Magic Circle Show

The first thing to disappear the night I went to the Collegiate Theatre seemed to be half the audience but I was told that bookings were much heavier later in the week. Why do not more people know about this annual feast of magic in time to plan to go to it? By the time you read this notice it will be too late. For the first week of the year the Magic Circle assembles under the direction of John Salses a rich display of conjuring. It is a severe test for the performers to appear in this fashion in comparison with each other but they survive even if inevitably some illusions are repeated. This year at least three unprejudiced viewers were shown in half . . . or rather one in half, one into three parts, and one into four.

Winds & Pianist

My first two concerts of 1979, last Wednesday and Thursday evenings in the Elizabeth Hall, ushered in the new year not as I should have preferred with a satisfying bang or whimper—spring and autumn are the seasons for ambiguity; icy winter makes extremists of us all—but with two disappointingly quiet hours. To be sure, Wednesday's concert, given by the Netherlands Wind Ensemble, was well planned and well played; but it needs a very special force of charm—and ideally also some venue quite other than a formal concert hall—to project successfully a whole evening of music for reeds and horns alone. And the Netherlands' performances were as efficient as they were particularly charming; even in Mozart's delectable C minor Serenade K388, which was the centrepiece of their programme, colours were lacklustre, phrasing uneven, rhythms oddly blunt. They made an E flat Partita by the Moravian contemporary of Beethoven, Frantisek Krommer, sound prosaic—which it is; but they also made Dvorak's happy Serenade in minor of the Serenade routine—which it is not. Their programme was the first of a series of nine concerts in the Elizabeth Hall this month called "Mainly Slav"—a somewhat tenuous conceit since the concerts contain little Russian, Polish or Czechoslovak music (except perhaps the Krommer Partita; and two groups of Rakhmaninov songs on January 11) that we do not hear regularly on the South Bank from year to year. But there is an excellent list of performers, programmes, the series promises well. Only the programme-book, which contains the names of the works performed, and some biographical details of the performers, but no programme notes, seems outrageously bad value at 35p.

WEEKEND CHOICE

SATURDAY belongs to ITV which is gambling on a whole new generation falling for Dick Barton. Special Agent at 5.15 (with Episode 2 following tomorrow). Will the TV version have that terrific signature tune? Will Jock and Snowey still be around? Listen again to an even bigger gamble when it starts Dick Turpin with Richard O'Sullivan in the title role, playing straight, after years of Robin's Nest and Man About the House.

TV RATINGS

Table listing TV ratings for various channels and programs, including UK TOP 20 (Home Viewing), 19 All Creatures (BBC), 20 Ring on their fingers (BBC), etc.

Radio advertisement for BBC 1 and BBC 2, listing programs like 'Summer Holiday', 'The World of Gull', and 'Coronation Concert'.

Regional radio advertisements for GRAMPIAN, GRANADA, YORKSHIRE, RADIO 1, RADIO 2, RADIO 3, and RADIO 4.

Theatre listings for various venues including Her Majesty's, Kings Road Theatre, Lyric Theatre, and others, listing plays and showtimes.

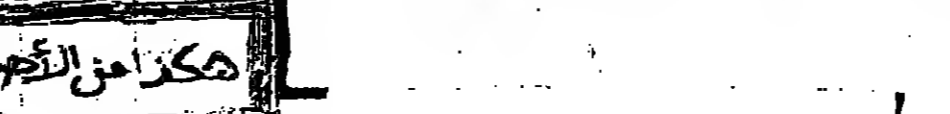
Additional theatre listings for venues like Victoria Palace, Savoy Theatre, and others.

Entertainment Guide section listing various theatrical productions and their details.

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End to High Street price war in sight

By DAVID CHURCHILL, Consumer Affairs Correspondent

1979: in like a lion

"GOOD MORNING," said Eeore, "if it is a good morning, which I doubt, it would be idle to pretend that 1979 has opened in anything but a chillingly discouraging fashion..."

It is of course important to keep all these problems in some kind of perspective. The U.S. experts who, according to a newspaper report earlier in the week concluded that "the world can survive an Iran shut-down" were stating the obvious.

Our own domestic problems can equally be over-dramatized. We may face some extremely unpleasant disputes in the weeks to come. It returns to be seen whether the miners, after a well-earned rise in income, are as militant as some of their leaders; but the local authority workers, who suffered relatively in stage 3, since their 10 per cent was much more genuine than the average, may well prove as impatient as the transport drivers, and some of them have the power to cause serious problems.

A rising level of settlements, underlined by rising retail price inflation, notably the suit of weather and high interest rates may provoke new restiveness among groups who have already settled. The breakdown of an incomes policy is always a messy and inflationary business— which is one of the strongest reasons for distrusting such policies.

However, to talk of disruption and excessive settlements is not the same thing as talking of a return to the sort of disaster which befell the country in 1975. The large rise in real incomes in 1978 has not pacified the militants, as those who

THE PROMOTIONAL offensive in Britain's High Street supermarkets—now being launched by Tesco, J. Sainsbury, and the Co-Operative stores—in spite of the pressure on supplies caused by the lorry drivers' dispute—does not mask the fact that the fiercely competitive price war of the past 18 months is now largely over.

The deep price-cutting tactics employed by the major supermarket multiples—which have undoubtedly helped bring down the inflation rate—are now at an end in spite of the Elm plus advertising campaigns.

Instead, 1979 will be a time when the supermarket chains start to consolidate their market shares they have achieved during the past year and a half. Clearly, both Tesco and Sainsbury have emerged as joint winners of the price war. Their sales turnover and volume, profits and market share are all up by substantial amounts. But this success has been achieved without inflating—as had been expected—irreparable damage to their major High Street competitors. The losers, however, have been the small regional supermarkets, chains and independent grocers which have been unable to keep pace with the major multiples.

The price war—which cut food bills by as much as 5p in the £ during 1978—is drawing to an end not only because the major multiples have achieved their marketing objectives of high volume and market shares, but also because operating and raw material costs are certain to rise over the coming months. Such costs include a 20 per cent wage deal for supermarket staff agreed last November and currently being implemented, higher wages for distribution workers and the prospect of increased fuel charges, as well as a steady rise in food costs. The percentage rise retained within prices has remained within single figures for the whole of the past year. However, some supermarket chiefs believe that pressure from the manufacturers for higher margins—as well as the effect of the weather on food crops—is likely to push the rate of food price inflation back into double figures.

Their cost increases mean that the supermarket chains have very little flexibility in finance. New price cuts by reducing their profit margins suffer, and it has to struggle to regain its former position. Many an ambitious market leader, who has flourished after the failure of an aggressive price-cutting campaign. This was the gamble facing Tesco in the summer of 1977. Its decision to top 4 or 5 per cent price cuts across gross margins and cut prices across the board would, it was felt, either be the springboard for rapid growth in the following decade, or make Tesco, with its substantial property and trading assets, a vulnerable target for takeover. Mr. MacLaurin and his colleagues were in no doubt about the size of the gamble they were laying their jobs firmly on the line. While housewives—and the

media—welcomed Tesco's price cutting with open arms, Tesco's High Street competitors generally appeared to believe that the move would quickly burn itself out. Sainsbury's, probably Tesco's closest rival, was in any case hampered from making an initial response because of industrial action at its distribution depot. Yet while Tesco's own distribution system was strained almost to breaking by the initial success of its price-cutting campaign, under the marketing slogan "Operation Checkout," it swiftly achieved both the sales growth and market share, greatly strengthening its position.

After the first six months, sales had increased by 40 per cent over the corresponding period in 1976 and—more important—the company had boosted its market share by an unprecedented 50 per cent, from around 8 to 12 per cent of the packaged grocery market.

It was this initial market success, which Tesco caudally admits exceeded even its own targets, that laid the basis for its pre-tax victory in the High Street. It has managed to maintain—and slowly increase—its share of the packaged grocery market and its financial results for the first half of the current financial year show both sales and pre-tax profits up by just over a third each. The interim pre-tax profits of £18.5m—up from £10.5m—were a record for a half year.

However, after it became clear that Tesco's price-cutting campaign was more than a "flash in the pan," the battle was on among the other High Street supermarket groups to launch their counter-offensives. Of these, Sainsbury's "Discount 78" campaign has been the most successful. Sainsbury's allied its traditional reputation for quality and value for money with extensive and well publicized price cuts in basic commodities.

With a few months of launching its counter-offensive last January, Sainsbury's share of the packaged grocery market jumped from around 8 per cent to about 10.5 per cent. While not as spectacular as Tesco's leap, it was still a remarkable achievement in terms of the grocery market. Sainsbury's market share has since crept up to almost 11 per cent and the company says that when fresh foods are taken into account, its total share of the market is probably equal to that of Tesco.

Sainsbury's interim financial results also showed sharp increases, with pre-tax profits up by almost a quarter to £16.6m and sales turnover up by more than 28 per cent. The crucial fact, however, is that both Tesco and Sainsbury, by a combination of aggressive marketing, deep price-cutting, sound distribution, and efficient management, have pushed themselves to the front of the market and are determined to stay there. With their higher volume sales they have also been able to maintain their grip on the market. They can



are about 73,000 of these in the UK, compared with 7,000 multiples and 8,000 co-operatives, but the independents' share of the grocery market slumped last year from 19.3 per cent to 17.7 per cent. Some trade sources suggest that the pressures in the High Street are so intense that as many as 20 small shops are closing down each week, and there are no signs that the rate of closures is easing.

At the same time as the short-term battle for market share in the High Street is being waged, a longer-term, and probably more important, conflict is taking place. This is about how the supermarkets can open up new large supermarkets or superstores—anything from 25,000 sq ft to 100,000 sq ft. Larger stores enable their owners to achieve greater volume with reduced operating expenses and to vary their product mix to include more non-food items, such as clothes and household goods. These have substantially higher profit margins than foodstuffs. More than one-third of Tesco's total selling area is now devoted to non-food sales, although Tesco does not yet give sales and profits breakdown for goods other than food.

The supermarkets' problem is finding the right sites and persuading local authorities to give planning permission. The rivalry for some prime sites, especially in the lucrative South

A new breed

At the same time a new breed of young, professional managers was emerging at the top of the company, typified by Mr. Ian Black. He was Tesco's first managing director who was not a member of the Cohen family.

Tesco realised that the sharp increase in inflation during the mid-1970s had made customers extremely price sensitive. In addition, it decided that pressure on operating margins and continued competition in a static market for food, meant that it increased sales on low margins was the name of the game for the end of this decade and the early 1980s.

At its simplest, the retailing strategy behind a price war is that by cutting prices (and profit margins), sufficient extra sales can be generated in the short term at least to cover the loss of profit on the products some real growth. But, more important, if the extra volume of sales can be maintained after the initial price cutting offensive, then a return to more realistic profit margins will mean substantially higher profits.

At the same time, increased volume (and thus market share) is achieved at the expense of the company's competitors. Such a strategy sounds simple, but it suffers from one potentially disastrous flaw. If the price cuts do not lead to sufficiently larger sales—which because of the fickleness of consumers can happen for various reasons—the company's profits suffer and it has to struggle to regain its former position.

Pre-tax profits

Asda is the challenge that both Tesco and Sainsbury's appear to fear most, but it only managed to increase its market share during 1978 by 0.5 percentage points, to 6.5 per cent, leaving it well behind the leaders. But Asda's pre-tax profits rose by more than a quarter and sales by 29 per cent in value. In its past financial half-year, this performance shows that the leaders' concern about Asda's challenge is justified.

The Co-Operative stores, although still the biggest supermarket group in terms of numbers and market share, have lost ground over the past year in face of the intense competition. The Co-Op's problems are that in spite of their apparently unified image, the stores still reflect the local variations of each individual Co-Operative Society. Tesco's and Sainsbury's market growth has not been achieved at the expense of their main rivals, but of the independent and small grocers. There

Letters to the Editor

Wages From Mr. R. Bonnet Sir—I wonder who your new readers in Frankfurt and Zurich will think of a Government whose leaders pontificate about the need to keep wage increases to 5 per cent while top civil servants, heads of public service industries and sundry Quango personalities are to receive increases of up to £6,000 this year—and possibly much more by 1980? I doubt whether they will take the line—rather popular with some commentators here—that these salaries do not compare well with those paid to German, Swiss and other continental civil servants and public service directors. They are much more likely to argue that the wage differentials between a Swiss railwayman and the Director General of the Swiss Federal Railway is less steep than that prevailing here. They are also likely to observe that the British Civil Service and our nationalised industries, taken as a whole, have not been very successful in the conduct of our national affairs and that their leaders have not earned the increases which they have now adjudicated themselves. As to the Government's claim that it is fighting inflation by keeping wage increases down to a "special cases"—when "top people" are allowed to contract out of the wage freeze—I fear that they will put this down to Ralf Bonnet's "English hypocrisy."

Reserves From Mr. W. Whalley Sir—You report (December 29) that oil stocks stand at 72 days consumption. It is to be hoped that this figure is more realistic than the similar one given to Parliament in 1977. Only later did it appear that the Government's advisers were including non-available stocks in tank bottoms, pipelines, process plants and road tankers, which

although nominal assets, could not be drawn down in emergency. It then transpired that 70 days nominal stocks represented about 40 days usable. W. C. R. Whalley, 105, High Street, Bangorford, Berks.

Funds From Mr. H. Wolanski Sir—Mr. Cutler (January 2) seems to have missed the point made in my previous letter. Mr. Cutler would apparently like to see the pension fund investment returns which appear in various performance tables broken down between the income and capital constituents. This is because Mr. Cutler perceives investment income to be "hard cash" whereas the change in capital value is merely a paper figure.

It may well be of interest to trustees to break down the total return on their own pension fund into the separate income and capital constituents and there are at least two broadly-based performance measurement services which provide this information for the participating funds. It is difficult however, to see the significance of applying this approach to comparative performance tables for the reasons explained below. An income return can be calculated in two ways—relative to the book value or to the market value of the assets. Any return based on book values is completely useless for comparative purposes because of distortions caused by the timing of the purchases, that is, two pension funds holding identical investments would show a different return on book value if the investments were bought at different times in the past.

The alternative is to calculate the income return relative to the market value of the assets. In the context of Mr. Cutler's argument this would seem illogical since the asset value would actually include the unrealised capital gains or losses, which he wishes to exclude from the calculation. In a broader context, I just cannot see the merit of being told that a total performance ranking of (say) 49 out of 100 funds was caused by a ranking of 12 out of 110 as far as investment income is concerned and 68 out of 100 as far as capital gains or losses are concerned.

Mr. Cutler seems to regard total returns for a particular pension fund of minus 30 per cent in 1974 and plus 65 per cent in 1975 by themselves as "almost meaningless." I would fully agree with this, but suggest that if these returns are shown in the comparative context that the majority of pension funds achieved a return of between minus 28 per cent and minus 5 per cent in 1974 and between 35 per cent and 78 per cent in 1975 then they are of considerable interest.

Advertising From Mr. J. Seartest Sir—Probably most people will agree with your correspondent Mr. H. Dodsworth (December 29) who says the BBC should take in advertising to help it make money, with industry actively financing film and TV subjects. On behalf of the few I concede that this could come to pass. When it does the next step will be the "commercial break" American style, and I doubt Mr. Dodsworth would see much wrong with that. The "money is there," as he says, pointing to ITV's 10 per cent rise in profits. (Equally one could point to the healthy progress of the Sun, compared with many other newspapers.) Annan came down on the side of quality, i.e. the kind of programmes that sustain the BBC's world reputation and help it regularly to scoop all the awards. Who would finance this? The taxpayer.

number of factors which, in my opinion, tip the scale in favour of Borg.

I believe he underestimates the latter's achievement in winning at Rome, Paris and Wimbledon and reaching the U.S. final—a feat achieved previously only by Hoad in 1956 and surpassed only by Laver in 1962. Moreover, in winning the French Open, he conceded only 32 games in 21 sets. His defeat of Connors in the Wimbledon final was probably the most complete ever inflicted in a major event on a great player in his prime, whereas it is generally accepted that Borg played his losing U.S. Open final with an injured hand.

Another factor which weighs heavily in Borg's favour is his Davis Cup record in retaining undefeated singles in 4 ties. Connors' Davis Cup record is almost non-existent and no wonders why this undoubtedly great player continues to shun not only the Davis Cup but other major events like the Italian and French Opens.

I was puzzled by Mr. Barrett's reference to "one major championship to each man." Borg won two "Grand Slam" tournaments and Connors one. In other major tournaments Connors won in Philadelphia while Borg won in Rome and had to scratch through injury in Dallas. If he had won played Gerulaitis and Dibbs, to neither of whom had he ever lost in tournament play. Geoffrey Gammon, 2, The Mill, Surrhill, Surrey.

Licences From Mr. F. Goldstein-Jackson Sir—While I accept that the BBC deserves the recent increase in the TV licence fee (and more), surely something should be done to correct the possible wrongful method of collecting such monies, along with similar licence fees such as those for motor vehicles. My wife bought a car on January 23, 1978 and promptly

Advertisement for Famous Grouse Scotch Whisky. Includes text: 'The exception that could prove to be your rule.', 'THE FAMOUS GROUSE', 'FINEST SCOTCH WHISKY', and 'Quality in an age of change.'



# 'Then Glasgie belongs tae me'

By RAY PERMAN, Scottish Correspondent

YOU ARE COMING out of Glasgow Central station when a caricature of a Scot is draped in a tartan bonnet with an open half-bottle of whisky wrapped in brown paper...  
The story is apocryphal but not all that fanciful. In the industrial west of Scotland, in Northern Ireland—such questions can be designed to find out more than just your views on soccer. Some are more subtle than others, but not as an Ulsterman might ask you your doctor is or which dentist you go to in Glasgow...

may be said with equal justification of any age group on either side that indulges in periodic battles of words or worse. Outbursts of violence are only too common, particularly at this time of the year when there is the explosive combination of an "old firm" game between Rangers and Celtic and an excess of drink about.

## Positive action

The club says it no longer asks a man's religion when he is interviewed for a job, but after years of exclusion it is hardly surprising that Catholics do not apply. Without some positive and determined action by the club to support him, it would take a very brave man to decide to become the first non-Protestant on the Rangers payroll. The change to non-discrimination is not impossible. Celtic made that some years ago. Jack Stein, now manager of the Scotland team, made a point when he was in command of the Celtic squad of hiring players purely on footballing skill and many Protestants have made the first team since then.

## Ban dropped

Nevertheless, sectarian discrimination disfigures Scottish society and, although there have been improvements, there is a marked reluctance by the country's leaders, political and religious, to tackle the problem head on. Football, a national obsession north of the border, is the example where the split is most obvious. Both Rangers and Celtic were founded in the last century as sectarian clubs and Rangers still is one. In spite of

an assurance from Mr. William Waddell, the general manager, two years ago that the club would drop its policy of employing exclusively Protestants, there has still never been a Catholic at the Ibrox ground either as a player or in any other capacity.

of Catholics said they thought religious differences were a serious problem in Scotland, whereas only 36 per cent of Protestants thought that it was. Of those professing no religion, 56 per cent agreed that the divisions were serious.

The same poll also found that nearly seven out of ten Catholics were opposed to denominationally segregated schools, which many believe perpetuate religious distinctions and tensions. Yet the Catholic Church in Scotland maintains a steadfast defence of Catholic schools and insists that that is where practising Catholics should have their children educated. Most do. Of 85,000 Catholic children in Glasgow and Dunbartonshire, only 1,000 attend non-denominational schools. The main Protestant Church in Scotland, the Established Church of Scotland, does not maintain its own schools, but the existence of a Catholic school in an area automatically means that a nearby state school will be virtually exclusively Protestant.

## Some sympathy

There is a wide consensus outside the Catholic Church that separate schools hinder progress towards better understanding between religions and a lessening of the tensions that now exist. But there is also some sympathy for the reasons the Catholic Church clings to its right to demand separate education—and probably more important—a wariness about crossing swords with such a powerful interest group. The Catholic church rejects the assertion that segregated schools perpetuate divisions and believes that children can only be brought up properly in the faith if they are taught by people who themselves believe in it and have an understand-



Hundreds of fans invaded the pitch at Hampden Park, Glasgow a few years ago as Celtic players paraded with the Scottish League Cup after beating Rangers in the local derby match. A notice warns fans about carrying bottles or any other missiles.

ing of it. The church also fears that the trend in state schools is to downgrade the importance of religious education. The Church of Scotland would like to see separate schools abolished, but only with the co-operation of Catholics. It shares some of their fears about religious education in secular schools but nevertheless sees segregation as contributing to the continuation of hatred and unnecessary differences. However, this official attitude is not universally accepted within the Church of Scotland. Rangers' Protestant-only policy was first attacked in "Bush," the magazine of the Church's Glasgow Presbytery, but the editors found themselves under attack from some of their fellow Ministers who saw nothing to criticise in the football club's actions and were willing to overlook the influence they were having on impressionable young fans.

In private, the political parties in Scotland support the abolition of the segregated school system, but in public they fudge and smother the issue to avoid the risk of losing the Catholic vote. The Catholic working class in Scotland has traditionally identified with the Labour Party. An opinion poll in April 1978 showed that at a time when Labour had 41 per cent support from the electorate as a whole, it commanded 70 per cent of the Catholic vote. This loyalty, coupled with the high proportion of Catholic families in the West of Scotland parliamentary constituencies that make up a vital part of Labour's strength, explains why the party is anxious not to disturb its relationship with the Roman Catholic hierarchy and why other parties, particularly the Scottish Nationalists who desperately need to win seats in the West of Scotland, prefer to remain non-controversial.

## Little desire

At its last conference in Dundee, for example, the Labour Party had a vigorous debate in which many delegates pointed to a link between separate schooling and sectarian friction. The party went on to declare itself in favour of starting moves to end the system, yet its members who control the important regional education authorities, Strathclyde and Lothian, have shown little desire of implementing that policy. Similarly the SNP is against segregation, but its policy statement adds: "There is no commitment by the party other than to seek a solution agreed by those concerned." An attempt at the 1977 conference to strengthen the party's stand was heavily defeated after several speakers pointed to the risk of losing Catholic support in vital areas. An MP said to me after the debate: "It may not have been morally right to defeat the amendment, but it was good politics."

If a Scottish Assembly is set up later this year it will be able to discuss the problem, for it is the type of issue that a devolved assembly can tackle better than a remote legislature. There are also moves underway to review the place of religion in the curriculum. But the prospects for change do not look good—an end to the sectarian divide in Scotland still seems a long way off.

Just as in Ulster, the difference between the two is not so much a difference of religion but of class. Cliff Barley, the Glasgow writer and broadcaster, recently observed that the gangs of children roaming Protestant housing estates chanting obscene slogans against "Paps" or "Tins" and scriawling threats of violence on walls do not know what it is in the Catholic faith they are supposed to object to. The same

## Weekend Brief

### Driving force

If the striking lorry drivers are facing a chilly time on the picket lines this week, they can comfort themselves with the thought that life is equally tough for some of their official union leaders.

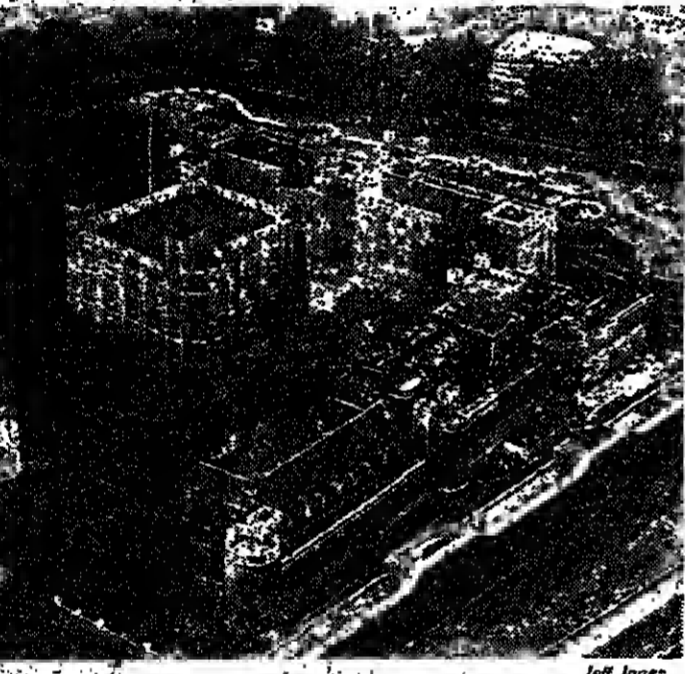
Jack Ashwell, national secretary of the Transport and General Workers Union responsible for the road haulage industry, has faced remarkable pressure during the past fortnight in his efforts to keep the lorry and tanker drivers' negotiations—and his members—on the road. Unlike many industries there are no neutralised negotiations conducted by an employers' association on behalf of all the oil companies and the union negotiators have to hold separate talks with each management often in a very concentrated period of time. One day last week Ashwell, sustaining only by coffee and snacks, negotiated a marathon 22-hour session which was continued again through the night, until past midnight the next day.

He then went immediately to BP for more talks, trading several hours before going to his Stevenage headquarters home to catch up on a little sleep. He set off again early next morning for another talk day with the Esso and Mobil managements and spent several hours with drivers' negotiators who were busy with improvements in the pay by one company being used as a base to speed up the negotiations taking place at the others.

All the time that Ashwell was tied up with the oil companies he had to keep in touch with the problems mounting among the Road Haulage Association lorry drivers, and this is where most of his attention is now being concentrated. Ashwell, 51, is married with two children and was a regional TGWU official in the North for 10 years before coming to London as national secretary two years ago. Earlier in life he worked as a busman and, before that, on a tug—his limited spare time is being devoted to building a model of the vessel at the moment. For a frequently arduous and demanding life Ashwell, 51, and his fellow trade union officials are comparatively modestly paid. As a national secretary of the TGWU he gets around £6,500 a year and the rate for the job in a number of other unions is well below this.

### Closed minds

Having made my own way to London's Hayward Gallery for a New Year's Day look at the Carrier-Bresson exhibition, only to find a small knot of frozen fuming tourists and locals glaring at firmly locked doors, I view the row which is brewing over closed attractions with some sympathy. Not long



The Tower holiday lock-out.

ago a life in America's show-biz newspaper, Variety, suggested that "everyone knows that London rolls up its sidewalks at midnight" when commenting on the lack of London night life. Now, it seems, we pull the shutters down at holiday time too.

Yesterday the London Tourist Board entered the fray with a few nasty comments about the capital's inability to sell abroad. "We deplore this closing of major attractions at times when residents and visitors are able to enjoy them," says the LTB's Rodney Scrase. The Board thinks several times before being over-critical these days. Not quite a year ago it publicly suggested that London might be "fury one" and tourists should stay away one weekend—and the fury of hoteliers was amazing to behold. This time, however, Scrase is happy to name names. High on his list of villains is the Tower of London, closed for five days during a period of 10 days. The Board has been looking at the nearby homes in London and the south-east and found that only 22 out of 152 were open at the tail end of December. Warwick Castle and Woburn are praised for staying open come snow, hail or festive holidays.

Says Scrase: "We cannot allow outmoded ideas of Sunday off for everyone, including those who provide the leisure amenities to take hold and harm the product we offer. In the same way we must not just pay lip service to our marketing goal of extending the season, but back it up by encouraging and assisting attractions to stay open for the greater part of the year." If those of us outside the Hayward a few days ago could have found a place to get a hot cup of coffee we would all have raised our drinks to that.

### Island of dreams

Valery Giscard d'Estaing is doubtless hugely enjoying showing his distinguished guests, Schmidt, Callaghan and Carter round Guadeloupe, that little piece of France in the Caribbean. While the former British colonies in the region limp off to make the best of life as independent states, albeit very poor ones, Guadeloupe with her rowlier neighbour Martinique basks in relative luxury as full departments of France. Because of massive subsidies from the motherland the fortunate locals are able to drink

Pastis and eat camembert at Paris prices while they lie in the shade of the palm trees or giant tropical ferns.

If they want to they can stretch their legs by climbing one of the local volcanoes in the astonishingly beautiful national park and look down on the towns of Pointe-a-Pitre and Basseterre lovingly guarded by the French army and genuine Mrs from France.

The guadeloupeans have always felt themselves to be a cut above their martiniquais neighbours who, they say, take distasteful things like politics all too seriously. The older French families claim they hail from Normandy and with Norman stubbornness call the mountainous half of their island Basse Terre and the flat half Grande Terre.

Lest our Premier be too overwhelmed with French onenesship the Foreign and Commonwealth Office will, I hope, have reminded him that under the Treaty of Paris in 1763 Louis XV ceded French Canada to the British Empire in return for a British promise that he could remain in undisturbed possession of Guadeloupe.

The locals will, if they get a chance, point out to all four leaders the former site of that ultimate penalty for political failure. In the late 18th century there was a large guillotine on the Place de la Victoire. Dormez bien, excellences!



The summit retreat: cheap pastis and sunshine.

## Full house

Benjamin Sonnenberg, the celebrated pioneer of public relations whose clients included the movie mogul Samuel Goldwyn CBS, Beecham, Philip Morris and many others, died in September, leaving instructions to auction his house and its contents. In Gramercy Park, an English-style square, the 37-room mansion is regarded as one of the last "green town houses" in New York still lived in by a private family.

Given the chosen setting, it is not surprising that his collection, assembled over 45 years, was distinctly Anglophile and Edwardian. His private movie theatre rivalled those in Hollywood and comfortably seated 50 people.

Sonnenberg, highly recognisable with his walrus moustache, Edwardian-style clothing and bowler hat, was a party-giver for business, the arts, politics and society.

His taste was in many ways developed through his business relationship with banker Robert Lehman. They would often be seen together on gallery walks and on calls to London dealers. Peter Wilson, Sotheby Park Bernet's chairman, will be making the arrangements for the sale of the house and the auction of the contents. The series of sales from June 8 to 9 in New York is expected to be one of the most glamorous Manhattan auctions in modern times.

Sonnenberg moved into the house in 1931, just as his career was taking off. Both the Sonnenbergs were avid brass collectors, she always searching for a bargain in the "Flea Market," and he heading for the leading dealers on 87th Street. People say that the collection is so personal and varied that it would never have worked in any of the other beaux arts mansions uptown. Although Mr. Sonnenberg was known to say that he spent his career making people famous, his would never be a name that would last. He saw his house and collection as setting for his lifetime and he left instructions that it be dismantled at his death.

Contributors: Alan Pike, Hugh O'Shaughnessy, Caroline Hyde and Arthur Sandles.

TODAY—Second day of talks between leaders of U.S., UK, France and West Germany at Guadeloupe. SUNDAY—Mr. James Callaghan, UK Prime Minister, expected to have separate meeting with President Jimmy Carter of the US for private discussions on the worsening situation in Rhodesia and the prospects for reviving an Anglo-American initiative. Increase in British Rail fares by about 8 per cent. WEDNESDAY—Provisional December figures for wholesale price index.

TUESDAY—Rail pay talks resume at British Rail headquarters, Marylebone, London. London clearing banks' monthly statement (mid-December). UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-December). Hire purchase and other instalment credit business (November). Retail sales (November—final). WEDNESDAY—Monthly meeting of the National Economic Development Council. Mrs. Margaret Thatcher, Conservative Leader, is guest speaker at luncheon of British Chambers of Commerce, Savoy Hotel, London—major speech expected covering problems of industry and commerce and the pay policy. Trades Union Congress economic committee meets, Congress House, London. Central Government financial transactions (including borrowing requirement) (December). Gross domestic product, personal income, expenditure and saving (third quarter). THURSDAY—Statement by Association of County Councils on Government's local government proposals. Housing starts and completions (November). Provisional figures of vehicle production (December). FRIDAY—First regular Concorde flight to Dallas, Texas, leaves Heathrow, London. Retail prices index (December). Usable steel production (December). Building Societies' receipts and loans (December).

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UK COMPANY NEWS

Stead and Simpson leaps 54% to £1.47m. midway

PRE-TAX profits of Stead and Simpson, footwear retailer and motor trader, were boosted by just over 54 per cent from £866,000 to £1.47m in the half-year ending September 30, 1978. Turnover was up by nearly 28 per cent to £13.6m, against £10.7m in 1977.

The Board says turnover on footwear trading rose by 23 per cent in the third quarter, and on motor trading by 32 per cent. First-half turnover on footwear was up 22 per cent to £8.08m, and on motor trading it rose nearly 37 per cent to £5.54m.

The interim dividend raised from 0.46p per share to 0.77p net. But the Board says the increase is partly to reduce disparity, and must not be taken as an indication of the total distribution for the year. Last year's final was 1.54p.

Sale of the group's former headquarters at Bolsover Gate and Mansfield Street, Leicester, was completed in November.

Table with 2 columns: Item, 1977, 1978. Rows include Turnover, Motor, Footwear, Pre-tax profit, Dividend, etc.

comment It has been a bumper year for footwear retailers. Demand has been much stronger than in previous years. Stead and Simpson has set about exploiting the boom to the full.

gions have also improved, although there were some delivery problems earlier in the period. Aided by bright pre-Christmas trading, the growth in sales has continued into the third quarter and the group looks set for a full year pre-tax figure of around £3.4m.

S. Heath ahead at six months

The directors of Samuel Heath and Sons report taxable profits ahead of £355,000 for the half year ended September 30, 1978, against £340,000 and expect the full year's results to be better than last time.

Pre-tax figure for the 1977-78 year was £511,266. Just of the previous year's record profits.

Business has continued at an encouraging level, the directors state, but they view the medium term with much more caution in the light of uncertainties in some export markets. Heath manufactures brass and other metal products.

BRITISH ASSETS For the period November 1, 1977 to December 15, 1978, holders of £698,633 of British Assets Trust 5 per cent convertible loan stock 1973-98 ex-

closed their right to convert their stock into 1,339,270 ordinary shares.

Knott Mill on way to profit

AFTER INCURRING a loss of £102,000 in the second half of 1977-78 Knott Mill Holdings, carpet retailer, has cut the deficit to £39,000 in the first 24 weeks of the current year.

The directors state that this result is in line with expectations and since August 14 further progress has been made towards a return to profitability.

Turnover (excluding VAT) in the first 24 weeks expanded from £1.74m to £2.94m. The result was struck after interest of £24,000 (£24,000) but before an extraordinary credit of £156,000 (£13,000 debit).

REDLAND Redland Braas Corporation—jointly owned by Redland, the UK building materials group, and Braas and Co. of West Germany—has concluded its US\$26.2m acquisition of Automated Building Components of Florida.

PROFITS before tax of Esperanza Trade and Transport amounted to £1.7m in the six months ended September 30, 1978—this represents an improvement on the £1.67m achieved in the corresponding period of 1977/78 and an increase of £281,000, or the second half of that year.

The six months results incorporate the effect on profits of the anticipated indigenisation of the group's Nigerian companies, only 40 per cent of the profits before tax of these companies have been included.

The directors point out that profits from copper operations made a very small contribution to results (£20,000) against £70,000 and it is anticipated that these operations will cease in the coming year without materially affecting the company's trading position.

After providing for tax and minorities half year earnings came through at £688,000

Tax takes £304,000 against £254,000 leaving net profits at £230,000 compared with £192,000. The final dividend, payable on March 10, is 12.44p per £1 share making a total of 18.44p against 16.60p.

The company is unquoted and has close status.

SABAH TIMBER Minority shareholders of Sabah Timber yesterday overwhelmingly voted in favour of the offer by majority shareholder Harris and Crossfield. Out of the 85 per cent of the minority who voted, 89.4 per cent were in favour of the offer.

Most analysts appear to be expecting next Monday's interim figures from Hogg Robinson to show reasonable growth at the pre-tax level. However, the company is unlikely to match the impressive rate of expansion achieved last year.

Shareholders of Henry Wigfall and Son will be looking for a strong interim profit figure when results are announced on Wednesday. A year ago the company announced a first-half loss of £353,000 before tax and Comet Radiovision seized the opportunity to mount a £12.5m bid for the company.

AG Research Thursday, 1.75; ERP (Holdings) Thursday, 2.42; Gordon and Bennett Monday, 0.818; Nye and Son Monday, 1.2; Samuel (H. I.) Tuesday, 0.22754; Stroud Riley Drummond Thursday, 0.5; Vite-Tex Thursday, 1.2; Wigfall (Henry) and Son Wednesday, 3.0

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Lord Kissin, chairman of Esperanza Trade and Transport

First half increase for Esperanza

PROFITS before tax of Esperanza Trade and Transport amounted to £1.7m in the six months ended September 30, 1978—this represents an improvement on the £1.67m achieved in the corresponding period of 1977/78 and an increase of £281,000, or the second half of that year.

comment Esperanza's half-time results may look far from exciting with the pre-tax figure up by only 5 per cent—a far cry from a full recovery—but the upturn looks more respectable when compared with the previous six months when the company produced around £1.2m adjusting for the Nigerian companies. The various operations within the International Services division produced a mixed bag of results, but the cargo inspection side can be highlighted as one of the main instigators of the recovery in profits.

Confident outlook from Elson and Robbins

Mr. E. R. Keeling, the chairman of Elson and Robbins in his annual statement, says the directors are confident that should the economic climate deteriorate in the economic climate the group will maintain and strengthen its activities.

Corrective action has been taken, says Mr. Keeling, and production is now running at record levels. The production level established and the group's share of the domestic market continues to improve.

Substantial rise for Bass Investments

Sales of Bass Investments, a member of the Bass Charrington group, were £36.2m for the 63 weeks to September 30, 1978, against the previous year's £27.5m and taxable profits came out at £13.1m ahead at £58.9m.

BIDS AND DEALS British Land picks up more Churchbury shares

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

Strategic share stakes in two property companies helped to stimulate market interest in the sector yesterday. British Land has increased its holding in Churchbury Estates from just under 16 per cent to 20 per cent. And Union Corporation has added a further 250,000 shares to its holding in Capital Counties Properties Company, increasing its stake to 29.58 per cent.

Mr. David Cohen, British Land's finance director, explained yesterday that the group had simply taken the opportunity of buying a line of 70,500 Churchbury shares in the market some weeks ago. As with the other key shareholdings that British Land has built up in smaller property companies in the past year (including a 29 per cent stake in City Offices) Mr. Cohen echoes the words of his Chairman, Mr. John Ribbitt, in saying that the group is simply "keeping a watching brief on the Churchbury shares."

NO PROBE The proposed acquisition by Electronic Rentals Group of British Relay Wireless and Television is not to be referred to the Monopolies Commission.

ASSOCIATES DEAL S. Warburg and Co., as an associate of General Electric Company, sold on behalf of discretionary investment clients 2,900 ordinary shares of 25p.

Westminster Property merger

BY JOHN BRENNAN Westminster Property Group has agreed merger terms with an unquoted British property company.

Westminster, which has been in negotiations with the privately owned company since August, called for the suspension of trading in its shares yesterday ahead of a formal announcement of the deal on Tuesday.

Sale Tilney Purchase Sale Tilney has agreed to purchase 51,000 ordinary shares (51 per cent) of James Marshall (Glasgow) by £214,662. The consideration will be satisfied by the allotment of 122,474 Sale Tilney shares and £39,660 cash.

SHARE STAKES Crellon Holdings—Mr. G. R. Heywood, who resigned as a director on Dec. 31 has sold his interest of 12,000 ordinary and 12,000 12 per cent convertible cumulative preferred shares.

London and Associated Investment Trust—Following a re-arrangement of family trust interests Mr. A. Heller and his family have become beneficially interested in 699,351 shares formerly included as a trustee interest. There has been no disposal or purchase of any shares or any changes in his total holding.

RTZ loses a round in cartel case

A DEFAULT judgment for non-appearance has been given against Rio Tinto-Zinc Corporation and its cartel partners in the uranium cartel litigation being brought against them by Westinghouse Electric.

RTZ states that in the civil anti-trust action being brought in the U.S. District Court of Illinois by Westinghouse Electric Corporation against 29 companies, the judge has granted a default judgment on the issue of liability for an amount to be later determined by the court, against nine non-appearing defendants, including RTZ and certain of the RTZ group companies.

As already announced, the Saskatchewan State Government has rejected Berjuntai's application for the renewal of four mining leases and has awarded them to the State-owned Kampong Perangsang company. The latter is also seeking an indirect participation in Berjuntai.

Gailey interim helps Nash Securities to reach £0.8m

For the year ended September 30, 1978, profits before tax of J. F. Nash Securities reached £341,000—the result does not include the Gailey Group following transfer of its business, although the year profit takes account of the interim dividend of £200,000 received from Gailey.

Results of the Reliant Motor Company have not been consolidated this time, in accordance with the accounting policy adopted in 1977 following the acquisition of the 77 per cent holding in the Reliant Motor Group.

Prospects for the current year are encouraging, the directors say. The group will not, of course, receive any further dividends from Gailey but there is every indication of a recovery at Barkar, the packaging subsidiary, which encountered difficult trading conditions during 1978 and returned much reduced profits.

comment Nash's scheme of arrangement this summer by which it sold the Gailey subsidiary in Black and Edgington and passed on the proceeds to shareholders was certainly good news for short-term investors. It has left a gaping hole, however, in the company's trading profit. This does not yet show up at the pre-tax level but the £300,000 interim is a one-off payment and next year's results may feel the draught.

Results due next week

Table listing companies and their interim dividend dates and amounts.

major acquisition in the current year to replace Gailey—in view of the high gearing (about 1:1) a deal will probably be settled pre-emptively with the company's paper. Meanwhile, figures from the existing activities are somewhat mixed with the important packaging and engineering companies a bit disappointing but encouraging signs apparent in the second half from construction and brick manufacturing. Compatibility with 1977 is impossible because of the different spread throughout the group of management costs and interest charges. Besides Gailey the overall picture is further complicated by the absence of previous associated profits of £163,000, a first time contribution from a WCC of £71,000 and a 13 month result (previously seven months) from the RMG engineering companies. With the shares at 74p the p/e of 4.3 and yield of 12.2 per cent reflects the uncertainty.

Good year for Nevill Long

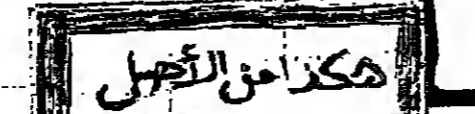
After payment of a disturbance claim arising from a move to new warehouses and offices in Dagenham, pre-tax profits for 1977 of the Nevill Long Group, sheet materials and ceiling systems distributor, were £103,082.

Turnover increased 61 per cent to almost £2.5m, and a record trading profit of £80,171 is reported. Accumulated revenue reserves stand at £291,234.

Mr. Hedley J. Meek, chairman, states that the results are particularly satisfying in view of the background of a depressed construction industry. The main growth within the group has

fell back from £13m to £3m and the company indicated an inevitable fall in profits by the year end. Although volume was up in the second half this indication still stands rather than next year could be better due to a recent price rise and favourable currency trends.

Westland Aircraft's share price has been edging up since the opening of 1979 but analysts put this down to its inclusion on the New Year share list rather than anticipation of the final figures. Most are reluctant to offer an earnings estimate but, when pushed, go for around £3m pre-tax (half last year's £5.8m). Labour problems and an unprofitable contract in the helicopter division are the main factors behind the poor performance. Interest is also focussed on the question of dividend, the interim was passed but there has been no disclosure of intention so far regarding the final.



NEW LIFE BUSINESS

Norwich Union pushes up premium income by 33% to record £53m.

Record sales of life assurance last year is reported by Norwich Union Insurance, one of Britain's leading financial companies. New annual premiums in 1978 on world-wide life business amounted to a peak of £53m - 33 per cent higher than in 1977 when it came to £40m. New annual assured totalled over £2.5m compared with £1.9m in the previous year.

The high levels of 1977, from £13.3m to £12.1m. This decline arose from a drop in immediate annuity business, the company marketing aggressively for this type of policy in 1977. Total new sums assured were 34 per cent higher at £265m from £198m in 1977 and new annuities per annum rose from £27.4m in 1977 to £27.7m last year.

Substantial increase for Sun Life

Record new business figures have been announced by Sun Life Assurance Society for 1978 with total new premium income for the group advancing by 40 per cent from £45.7m in 1977 to £65.9m. Included in these figures are single premiums of £29.5m in 1978, up from £22.5m in 1977 and £33m last year.

Record new business figures have been announced by Sun Life Assurance Society for 1978 with total new premium income for the group advancing by 40 per cent from £45.7m in 1977 to £65.9m. Included in these figures are single premiums of £29.5m in 1978, up from £22.5m in 1977 and £33m last year.

Bids and Deals

The Bids and Deals sector was enlivened in the first week of 1979 by the announcement of a £28.5m takeover approach by Norcross, the diversified industrial group, for ceramic tile manufacturer H. and R. Johnson-Richards Tiles and by the emergence of the two previously unnamed suitors for Anglo-Swiss Holdings and Kean and Scott.

The Norcross move comes about seven months after an offer for Johnson-Richards worth around 137p from Hepworth Ceramic lapsed on reference to the Monopolies Commission. Norcross has stated provisional terms of five of its own shares plus 360p cash for every six J-R, worth 132p per J-R with Norcross at 86p. The approach has received a cool reception from J-R, but the company is willing to participate in talks the background of which will be coloured by the announcement on Wednesday of J-R's interim results and the knowledge that shareholders holding about 35 per cent of the equity stated their interest in any offers over 125p per share.

Loss-making screws and fasteners manufacturer Anglo-Swiss Holdings has disclosed a £1.4m bid from Armstrong Equipment, the automotive products and industrial fasteners concern. The deal is worth 54p a share cash, or five Armstrong shares for every six Anglo-Swiss; Armstrong has 44 per cent of the equity, but it was announced yesterday that Hawthorn Leslie had increased its stake in Anglo-Swiss to just over 10 per cent by purchasing 150,000 shares at 59p each.

The unknown bidder for Kean and Scott, the furniture maker and retailer with interests in short term finance facilities is Mr. Mervyn Levin, a Bournemouth businessman who has household name interests. The chairman of Kean and Scott and certain associates have sold 214,782 shares (£1.14 per) for 10p a share to give Mr. Levin a controlling interest. Under the Take-over Code, Mr. Levin will be bidding for the rest of the equity at the same 10p per share which compares with a market price of 28p.

After more than three years research into the do-it-yourself market, W. H. Smith is paying £12m cash for Homecentre, the LCP Holdings chain of stores. W. H. Smith intends to actively develop and expand Homecentre operations.

Table with columns: Company bid for, Value of bid per share, Market price, Price before bid, Value of bid, Bidder, Final Acceptance date. Lists companies like Algate, Anglo-Swiss, Bambergers, Cedar Holdings, City Hotels, English Property, Gibbons (Stanley), Haggas (John).

Table with columns: Company bid for, Value of bid per share, Market price, Price before bid, Value of bid, Bidder, Final Acceptance date. Lists companies like Jhusn. Richards Tiles, Kean & Scott, Leisure Caravans, Myddleton Hotels, Peagee of Birmingham, Sabah Timber, Trident Group, Turner Curran, Warne Wright & Rowland, Warwick Eng., Westinghouse Brake.

Table with columns: Company, Year to, Pre-tax profit (£000), Earnings\* per share (p), Dividends\* per share (p). Lists companies like B'ham Pallet, Lead & Fabrics, Camford Engrs, Ward (Thos. W.).

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends\* per share (p). Lists companies like Canters, Fodens, Hollis Bros, Howden Group, Linford Hedges, Sampsons, Tomkins (F. H.), Wilson Watkin.

Davenport's cautious

The service and product range of Davenport Brewery (Holdings) puts the company in an improved position to face the exigencies of an uncertain economic climate, states Mr. J. G. Swanson, chairman. Prospects for the current year are viewed with cautious optimism, as they were last time.

Additionally, the greater part of that capital spending has been on the traditional licensed house sector which is now beginning to show the growth in contribution and volume sales which are required. The rights issue of 722,168 ordinary shares by John Foster and Son has been accepted in respect of 572,425 shares (79 per cent).

RIGHTS RESULTS

The rights issue of 722,168 ordinary shares by John Foster and Son has been accepted in respect of 572,425 shares (79 per cent).

Hay's Wharf confident

THE INCREASINGLY wide spread of interests, some of which are showing signs of growth, should provide improved stability and strength to meet unforeseen problems, says Mr. David H. Burnett, chairman. The Proprietors of Hay's Wharf. In his annual report, Mr. Burnett adds that if in the coming year liquidity can be further improved the company more than ever should be favourably placed to develop its existing business profitably and to take quick advantage of a trade revival.

The American Stock Market failed to consolidate its advance in 1978

The American Stock Market failed to consolidate its advance in 1978 - because of the excessive growth of the money supply, rising interest rates, the level of inflation and the weakness of the dollar. However, these factors could well reverse in 1979 due to a slowing of the economy.

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Table titled 'ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.' with columns for Investment type and Value. Lists Capital Fixed Interest Portfolio (100.22) and Income Fixed Interest Portfolio (100.52).

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WORLD STOCK MARKETS

Companies and Markets

Dow index up 25.7 on week

INVESTMENT DOLLAR PREMIUM Effective \$2.02042% (42%); The upward movement made further headway on Wall Street yesterday, when stocks moved broadly higher in moderately active trading despite some late profit-taking. The Dow Jones Industrial Average rose another 4.59 to 830.73, making an advance of 25.72 on the four-day week. The NYSE All Common Index, at 581.41, put on 36 cents on the day and 31.79 on the week, while rises led falls by a three-to-one majority. Trading volume, however, declined 4.44m shares to 28.96m. Analysts said the market continued to benefit from its own strength, which has attracted buying interest, the \$600m drop in the basic Money Supply reported on Thursday gave hope that the Federal Reserve would not have to tighten credit further in the short term although it was unlikely to loosen the reins either. General Dynamics surged ahead 8 1/2 to \$89 1/2 on resumption of cash dividends plus a five-for-two stock split. Active Occidental Petroleum gained \$ 1/2 to \$37 1/2—it discovered a new oilfield in the Amazon Basin of Peru. Among other actives, Deere rose \$ 1/2 to \$33 1/2, U.S. Steel \$ 1/2 to \$24 1/2, Minnesota Mining \$ 1/2 to \$65, Polaroid \$ 1/2 to \$53 1/2, and Boeing \$ 1/2 to \$74 1/2. Comten advanced \$ 1/2 to \$19 1/2 in "Over-the-Counter" trading — it received and rejected a tentative merger proposal from a major U.S. firm but continues to hold talks with that firm and some others. Snap-on Tools picked up \$ 1/2 to \$41 on a two-for-one stock split. Starrett Housing lost \$ 1/2 to \$8 — it said construction is continuing on its 1,600-unit Zomoro apartment project in Iran, despite the unrest. Mission Insurance gained \$ 1/2 to \$34 on an American International Group offer of \$40 per share for up to 42 per cent of Mission stock. THE AMERICAN SE Market Value Index gained 1.63 to 157.66, making a rise of 7.10 on the week. The advance continued for the fourth straight session, with the Toronto Composite Index rising 6.5 to 1,245.0 — its highest level since records began in 1956. The Oil and Gas Index gained 9.4 to 1,905.9, Metals and Minerals 1.9 to 1,147.9 and Golds 8.3 to 145.9. BRUSSELS — Mostly higher in more lively trading. GERMANY — Most leading stocks gained up to DM 1.50 and a few added up to DM 3. Public Authority issues put on up to 30 pfennigs of Bundestank shares. Mark Foreign Loans steady to firm. PARIS — Market continued firm in calm trading, reflecting continuing optimism following Prime Minister's statement the French growth is likely to be an annual 4 per cent in 1979 and 1980. SWITZERLAND — Markets continued steadily bolstered by small investors demand. Financials narrowly mixed as were insurances. Dollar stocks traded generally slightly above Wall Street overnight closing levels. Dutch and German shares narrowly mixed. TOKYO — Higher on buying of Blue Chips and "low-priced" issues. Volume 380m shares.

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NEW YORK Stock Jan. 5 Jan. 4 Jan. 3 Jan. 2 Jan. 1. Includes lists for London, Paris, Amsterdam, Zurich, and other international markets.

Indices NEW YORK - DOW JONES. Tables showing index values for 1978-79 and 1979-78, including sub-indices for Industrials, Utilities, and Composites.

MONTEREAL, TOBACCO, JOHANNESBURG, ANZANIA, BELGIUM, DENMARK, FRANCE, GERMANY, HOLLAND, HONG KONG, JAPAN, SINGAPORE. Tables showing stock market data for various international locations.

THURSDAY'S ACTIVE STOCKS. Table listing active stocks with their closing prices and percentage changes.

F.T. CROSSWORD PUZZLE No. 3864. A prize of £5 will be given to each of the senders of the first three correct solutions.

Crossword puzzle grid with clues for Across and Down words.

SOLUTION TO PUZZLE No. 3863. List of words and their positions in the crossword puzzle.

Queen maintains winning tradition

ON THE death of King Edward VII George V decided to continue the royal link where his father had left off, and, although not as successful, he proved himself a keen student of the stud book and bred a fair number of winners. George VI was lucky enough to race two outstanding horses in Big Game and Sun Chariot almost immediately after he came to the throne.

Dominic Wigan brings his history of Royal involvement in racing to the present day

to King George by the then newly founded National Stud. If Sun Chariot had been allowed to take her chance in the Derby, the day after her effortless Oaks triumph, it appears more than likely that she would have triumphed. In the Derby Big Game, her stable companion and the 4 1/2 favourite, was easily beaten and the winner, Wedding Street, which was made to look extremely moderate by Sun Chariot in the St. Leger.

SPAIN Par cent. Table showing stock market data for Spain, including companies like Aaland, Banco Bilbao, and others.

Queen maintains winning tradition

monarch held the winning owners' list. Little need be said about the Queen's involvement in both racing and breeding for her many successes in both fields are still fresh in the mind and, hopefully, there are plenty more to come. However, it is doubtful if she will ever be a better servant than Aureole who, but for his contemporary, Pinza, would have been considered one of the greatest racehorses of all time. Aureole, who was bred at Sandringham, had the misfortune to meet Pinza in both the Derby and the King George VI and Queen Elizabeth Stakes as a three year old, but for which he would have won both races comfortably. In the latter race, one year later, he ran on gamely to best off a formidable foreign challenge. On his retirement from racing, Aureole went on to become a tremendous success at stud in contrast to Pinza, and in St. Paddy street a Derby end St. Leger winner. As with her father, the Queen did well with those animals leased to her by the National Stud (a practice now discontinued) and with one such representative, the filly, Carozza, she landed the Oaks. Hopeful Venture, another from the same source and a son of Aureole, was responsible for being the first horse to carry the Queen's colours in France. Now the Queen employs three trainers, Dick Hern, Ian Balding and William Hastings-Bass and has studs at Sandringham, Wolferton, Polhampton Lodge and Hampton Court.

GERMANY Table showing stock market data for Germany, including companies like AEG, Allianz, and others.

PARIS Table showing stock market data for Paris, including companies like Renault, Peugeot, and others.

STOCKHOLM Table showing stock market data for Stockholm, including companies like ASEA, SKF, and others.

BRUSSELS/LUXEMBOURG Table showing stock market data for Brussels and Luxembourg, including companies like Arbed, CBR, and others.

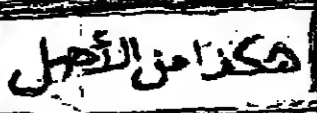
SWITZERLAND Table showing stock market data for Switzerland, including companies like Alumin, BSA, and others.

MILAN Table showing stock market data for Milan, including companies like Ansaldo, Fiat, and others.

CANADA Table showing stock market data for Canada, including companies like Alcan, Inco, and others.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE



Sumitomo in yen loan deal with Paris bank

By Charles Smith, Far East Editor, in Tokyo
SUMITOMO TRUST and Banking Corporation confirmed yesterday that it has negotiated a 'back-to-back' foreign currency loan agreement with Banque Nationale de Paris and is negotiating similar agreements with other foreign banks...

BHP lifts prices as steel activities improve

BY OUR SYDNEY CORRESPONDENT

AUSTRALIA'S only steel producer, Broken Hill Proprietary, is to lift its average-weighted steel price by 4.38 per cent on Monday. Announcing its first price increase since last May, the company said it was to re-estimate increases in wages, salaries and material costs incurred since last February...

Bank of Montreal to close in Amsterdam

By Charles Batchelor in Amsterdam

THE Bank of Montreal plans to close its Amsterdam branch on March 31 after failing to generate enough business to cover operating costs. The branch, which was opened in 1974, has made an accumulated before-tax loss of \$1.75m (US\$1.47m) according to information provided to the bank by the bank's clerical and bank staffs...

Major breakthrough as Commission supports ITT

BY DAVID LASCELLES IN NEW YORK

IN A MOVE with long-range implications for the U.S. telecommunications industry, the Federal Communications Commission is to permit International Telephone and Telegraph to compete with American Telephone and Telegraph in providing long-distance telephone services...

BY DAVID LASCELLES IN NEW YORK

AT THE BUSINESS customer who needs high capacity facilities for both speech and data transmission, clients will reach ITT's lines via local AT and T lines by dialling a special code, and will then return to local lines to reach their parties at the other end...

Renewed decline in Swiss bond market rates

BY OUR FINANCIAL STAFF

INTEREST rates on the Swiss capital market have now fallen to their post-war low of the 1950's after the disclosure of terms for the latest new issue by the Canton of Berne. The Canton is to borrow Sfr 35m over 11 years on a coupon of just 2 1/2 per cent. The offering is to be priced at 99 1/2. Last month the Canton of Berne raised a 12 year loan at par on a coupon of 3 per cent...

Straits buys stake in Sun subsidiary

By Our Financial Staff

STRAITS STEAMSHIP COMPANY has purchased 300,000 shares of S\$1 each — or 10 per cent of the issued and paid-up capital — in Sun Alliance Insurance (Singapore). Sun Alliance Insurance (Singapore), the newly formed Singapore subsidiary of Sun Alliance Insurance group, began business on January 1, with an authorised capital of S\$5m (\$2.3m) and a paid-up capital of S\$3m. The new company takes over operation of the Singapore office of the Alliance Assurance Company.

Grace bids \$130m for Daylin

BY STEWART FLEMING IN NEW YORK

W. R. GRACE, the U.S. chemical and retailing concern in which the West German Friedrich Flick group has a 25 per cent stake, has made a \$130m cash offer for Daylin, a Los Angeles-based stores business which only emerged from bankruptcy proceedings in late 1976. Grace said he was ready to offer \$3.75 a share for Daylin, which has itself recently been looking for acquisitions as its cash position and earnings have improved...

Sears Roebuck behind in Christmas sales boost

BY OUR NEW YORK STAFF

SEARS ROEBUCK, the U.S. retailing giant, was the only major store which failed to increase its sales over the Christmas period, according to figures released here. Sales by Sears in the five weeks ended December 30 were \$2,699m, down 2.3 per cent on the same period last year. A company spokesman noted that sales this year were competing against exceptionally high, record, figures last year...

International \$300m loan plan for new Milan airport

BY JOHN EVANS

S. G. WARBURG, the London merchant banker, has confirmed that they had been holding negotiations on a proposed international loan of \$300m to help construct a major new airport for Milan. In Milan, Mr. Giuseppe Arcade, chairman of the company, Societa' Aeronautica, said the company which manages Milan's two airports, disclosed the loan negotiations, and said the Italian transportation ministry would receive the loan. It would be guaranteed by the Italian Government. However, it is not definite that such a new airport will be built, and the Italian parliament has not yet decided whether international financing would be sought. OLIVETTI CORPORATION of America has completed arrangements to borrow \$20m for six years in the international markets. The credit, guaranteed by the parent company, Olivetti SPA, has been syndicated among a group of banks led by Banque de l'Indochine de France and Banque de l'Union Europeenne. An interesting feature of the loan is that the borrower can either tap the Euro market or the U.S. domestic market. Consequently, the interest payable is either 10 per cent of the U.S. prime rate or based on a 1 per cent margin over London Eurodollar interbank rates. A \$17m Euro market loan signed less than a month ago for an Abu Dhabi hotel project has now been cancelled, according to Arab bankers.

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The First Viking Commodity Trusts
Commodity OFFER 36.2 Trust BID 34.4
Double OFFER 49.0 Option Trust BID 46.5

COMMODITIES/Review of the week
Lead supply squeeze tightens
CASH LEAD reached a new all-time peak price on the London Metal Exchange this week as the supply squeeze tightened. The cash price touched a high of \$471.5 a tonne on Tuesday, eased slightly and then moved up again yesterday to close \$24 up on the week at \$468.5 a tonne. It is now at a \$40 premium over the three-months quotation which gained \$12.25 to \$428.25...

WEEKLY PRICE CHANGES
Table showing price changes for various commodities like Wheat, Soyabean Meal, Sugar, etc. from 1978 to 1979.

Sugar
Line graph showing sugar prices over time.

BASE METALS
Table showing prices for various metals like Copper, Zinc, Lead, etc.

SILVER
Table showing silver prices and market activity.

COCOA
Table showing cocoa prices and market activity.

SOYABEAN MEAL
Table showing soyabean meal prices and market activity.

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ASTMS criticises 'think-tank' report

BY CHRISTIAN TYLER, LABOUR EDITOR

THE CONCLUSIONS of the Central Policy Review Staff (the "think-tank") about the employment consequences of the so-called micro-electronics revolution...

Minister on U.S. and Mexico oil mission

By Kevin Done, Energy Correspondent

DR. DICKSON MABON, the UK Minister of State for Energy, begins a week-long visit to the U.S. and Mexico today to meet oil industry leaders and Government Ministers...

Stock Exchange dealings

Thursday, January 4: 3,580; Wednesday, January 3: 3,005; Tuesday, January 2: 2,465; Friday, December 29: 2,555; Thursday, December 28: 2,445; Wednesday, December 27: 1,674

The list below records all last Thursday's dealings and also the latest markings during the previous four trading days of any share not marked on Thursday...

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise stated, all shares are fully paid and stock is quoted in pounds and fractions of pounds...

BRITISH FUNDS (536) 21st April 2140; 21st Dec 1978-88 82 1/2; 21st Dec 1978-88 82 1/2; 21st Dec 1978-88 82 1/2...

SEA Group 100.00; 91CC (500) 120 7/8; 91CC (500) 120 7/8; 91CC (500) 120 7/8...

FOREIGN STOCKS (3) COUPONS PAYABLE IN LONDON; 1st Jan 1979; 1st Jan 1979; 1st Jan 1979...

What's in a name?

A name that's recognised can inspire awe, envy or, in this case, confidence. It's a name with a reputation for accepting only the best, and maintaining the highest standards...

STOCK EXCHANGE proposals to increase listing charges are being discussed with brokers and other interested parties. The Stock Exchange would not give details of the proposed new scale yesterday...

SE plans to raise listing fees

STOCK EXCHANGE proposals to increase listing charges are being discussed with brokers and other interested parties.

F.T.-ACTUARIES SHARE INDICES QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at December 29, 1978, are expressed below both before and after the 1978 year-end changes...

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Market capitalisation as at Dec. 29 1978, % change since Dec. 31 1977, Market capitalisation as at Dec. 29 1978, % change since Dec. 31 1977, Market capitalisation as at Dec. 29 1978, % change since Dec. 31 1977...

£3m launch for Broads holidays

A £3m SCHEME to market a million holidays this year has been announced by Hosesons Holidays...



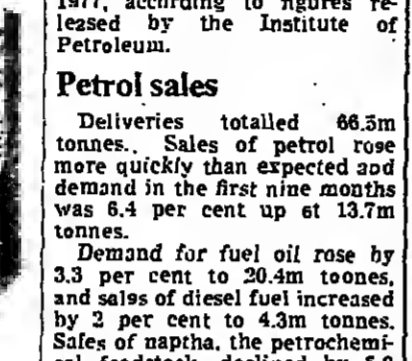
Deliveries totalled 66.5m tonnes. Sales of petrol rose more quickly than expected and demand in the first nine months was 6.4 per cent up on 13.7m tonnes...

Bouchard Aine logo and text: Burgundy specialists and shippers of fine wine. 55 EBURY STREET, LONDON, SW1. Fine dining the oldest son of the family.

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FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3-30 years. Interest paid gross, half-yearly. Rates for deposits received not later than 12.1.79.



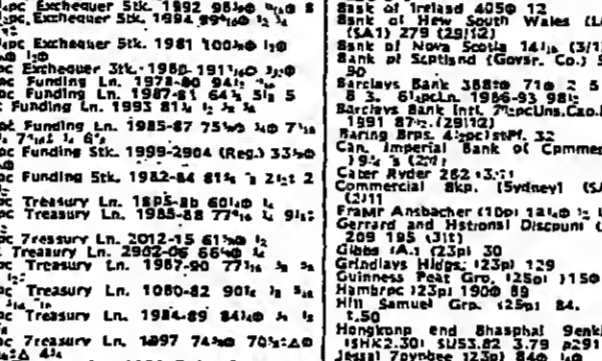
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Brand new market system. Years of experience have gone into the use of a new market system which has produced a steady stream of profits during 1978. We see no reason why its success should not continue into 1979...

PENNY SHARES. Monthly advice on low priced shares, which to buy and when to sell. For full details and a FREE COPY write: THE PENNY SHARE GUIDE, 11 Blomfield Street, London, EC2M 7AY.

Financial Times Saturday January 6, 1979

Table of financial data including various stock prices and market indicators.

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LOCAL AUTHORITY BOND TABLE: Table listing bond yields and terms for various local authorities.

Table of financial data including various stock prices and market indicators.

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BUILDING SOCIETY RATES: Table showing interest rates for various building societies.

Table of financial data including various stock prices and market indicators.

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EXCHANGE CROSS RATES: Table showing exchange rates between various currencies.

Table of financial data including various stock prices and market indicators.

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CURRENCIES, MONEY and GOLD

Using Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation widened slightly to 9.2 per cent from 8.1 per cent.

UK MONEY MARKET

Bank of England Minimum Lending Rate 12 1/2 per cent (since November 9, 1978). The Treasury bill rate rose by 0.0330 per cent at yesterday's tender to 11.5065 per cent.

EXCHANGES AND BULLION

Trading in yesterday's foreign exchange market was rather typical for a Friday, with no fresh factors affecting the market.

THE POUND SPOT

Table showing the pound spot market with columns for Jan 5, Jan 6, and Close.

OTHER MARKETS

Table showing other markets with columns for Jan 5 and Jan 6.

LONDON MONEY RATES

Table showing London money rates with columns for Jan 5 and Jan 6.

CURRENCY MOVEMENTS

Table showing currency movements with columns for Jan 5 and Jan 6.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates with columns for Jan 5 and Jan 6.

CURRENCY MOVEMENTS

Table showing currency movements with columns for Jan 5 and Jan 6.

U.K. CONVERTIBLE STOCKS 5/1/79

Table showing U.K. convertible stocks with columns for Name and description, Size, Current price, Terms, Conversion dates, Flat yield, Premium, Income, and Cheap (+) Dear (-).

LONDON STOCK EXCHANGE

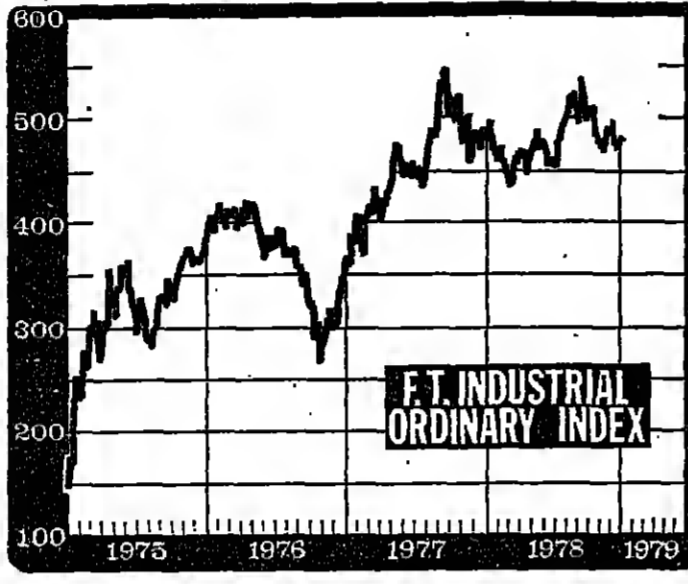
Companies and Markets

Road haulage disputes send markets into reverse although secondary equities often resist the trend

Account Dealing Dates... First Declara- Last Account Dealings... More notice was taken in stock markets yesterday of the growing road haulage disputes and the threat to both fuel and other supplies...

ation helped Midland improve 5 more to 365p making a rise on the week of 18. Other home Banks continued firmly with Elsewhere, FNFC Loans came in for lots support which left the 91 per cent Convertible 1982 4 points higher at 264 and the 94 per cent Unsecured 92-97 3 points up at 249; the Ordinary...

pay, jewellery concerns H. Samuel 'A' hardened a penny to 200p and Maters gained 3 to 75p. Selincourt hardened a fraction to 264p in response to an investment recommendation...



5ims and Coggins found renewed support at 57p, up 4. Interest in the Electrical sector faded after the previous day's good all-round performance. Leading issues ended the day a penny or so lower, while Electronics also tended easier in places...

regarding the acquisition of a private company. Leading Oil put on a much steadier performance after the previous day's volatile movements. Trading was again following the chairman's confident statement in the annual report met there Thomas Northwick touched 75p before closing 3 up at 75p. Among firmer Plantations, Guthrie reached 351p as speculative support increased before setting at 345p for a rise of 10.

De Beers easier After moving ahead strongly over the previous 5 trading days on expectations of a sharp increase in the world diamond sales figure for 1978, which is expected next week, De Beers came under persistent pressure from profit-taking yesterday and relinquished 10 to 402p for a net rise on the week of 11. Other South African Financials with substantial interests in De Beers moved erratically. Anglo American Corporation eased 2 more to 301p, but Johnnies, which in the year to last June derived more than 30 per cent of its total profits from its diamond interests, hardened another 2 to 244p.

Table with columns for Stock Indexes (Government Secs, Fixed Interest, Industrial, Gold Mines, etc.) and values for Jan 6, Jan 5, Dec 28, Dec 29, and Year ago.

Table titled 'HIGHS AND LOWS' and 'S.E. ACTIVITY' showing price ranges and trading activity for various sectors.

Table titled 'NEW HIGHS AND LOWS FOR 1978/9' listing various securities and their price movements.

Table titled 'OPTIONS' showing details for various options contracts including deal dates and settlement.

Table titled 'RISES AND FALLS' showing price changes for various categories like British Funds, Industrials, and Shares.

Table titled 'ACTIVE STOCKS' and 'ON THE WEEK' listing various stocks and their performance over the week.

Table titled 'LONDON TRADED OPTIONS' showing option contracts for various stocks like BP, Shell, and ICI.

Table titled 'RECENT ISSUES' and 'EQUITIES' listing newly issued securities and their market performance.

Table titled 'BASE LENDING RATES' listing interest rates for various banks and financial institutions.

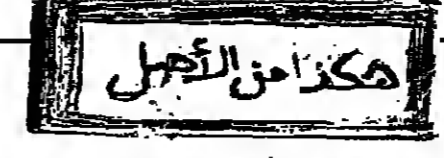
Table titled 'FIXED INTEREST STOCKS' and 'RIGHTS OFFERS' listing fixed income securities and rights issues.

Large table titled 'FT-ACTUARIES SHARE INDICES' showing various share indices and their performance.





AUTHORISED UNIT TRUSTS



OFFSHORE AND OVERSEAS FUNDS

Table of financial indices including DAX, Nikkei, and various market performance metrics.

Main table of Authorised Unit Trusts listing fund names, managers, and performance data.

Table of Offshore and Overseas Funds listing international investment vehicles and their details.

INSURANCE AND PROPERTY BONDS

Main table of Insurance and Property Bonds listing various insurance policies and bond investments.

CORAL INDEX: Close 476.481 and INSURANCE BASE RATES table.

Table of insurance base rates for various policies.

NOTES section providing additional information and disclaimers.

FT SHARE INFORMATION SERVICE



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BANKS & HP—Continued

CHEMICALS, PLASTICS—Cont.

ENGINEERING—Continued

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Table of British Funds with columns for Name, Price, Dividend, and Yield.

AMERICANS

Table of American Stocks with columns for Name, Price, Dividend, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines, and Spirits with columns for Name, Price, Dividend, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, Dividend, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber, and Roads with columns for Name, Price, Dividend, and Yield.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for Name, Price, Dividend, and Yield.

INTERNATIONAL BANK

Table of International Bank with columns for Name, Price, Dividend, and Yield.

CANADIANS

Table of Canadian Stocks with columns for Name, Price, Dividend, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, Dividend, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Name, Price, Dividend, and Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Name, Price, Dividend, and Yield.

LOANS

Table of Loans with columns for Name, Price, Dividend, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Price, Dividend, and Yield.

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FOOD, GROCERIES, ETC.

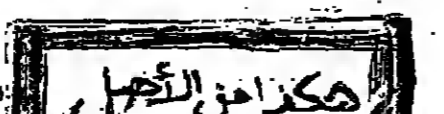
Table of Food, Groceries, Etc. with columns for Name, Price, Dividend, and Yield.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, Dividend, and Yield.

INDUSTRIALS (Miscel.)

Table of Industrials (Miscellaneous) with columns for Name, Price, Dividend, and Yield.





MINES-Continued

Table of stock prices for various mining companies, including Anglo American, De Beers, and others.

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Table of stock prices for Australian mining companies like BHP, Broken Hill, and others.

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Table of stock prices for tin mining companies such as Anglo Tin Mines and others.

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Table of stock prices for copper mining companies like Anglo American and others.

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Table of stock prices for various miscellaneous companies.

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Unless otherwise indicated, prices and net dividends are in pence and denominated in 25p. Estimated price/earnings ratios and cover are based on half-yearly figures. P/E ratios are calculated on the basis of net distributable profits...

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OVERSEAS TRADERS

Table of stock prices for overseas trading companies.

RUBBERS AND SISALS

Table of stock prices for rubber and sisal companies.

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Table of stock prices for tea companies.

Sri Lanka

Table of stock prices for companies in Sri Lanka.

AFRICA

Table of stock prices for companies in Africa.

MINES

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Table of stock prices for central rand mining companies.

EASTERN RAND

Table of stock prices for eastern rand mining companies.

FAR WEST RAND

Table of stock prices for far west rand mining companies.

O.F.S.

Table of stock prices for O.F.S. companies.

FINANCE

Table of stock prices for finance companies.

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Table of stock prices for investment trusts.

FINANCE, LAND

Table of stock prices for finance and land companies.

FINANCE, LAND, etc.

Table of stock prices for finance, land, and other companies.

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PROPERTY-Continued

Table of stock prices for property companies.

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INSURANCE-Continued

Table of stock prices for insurance companies.

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INDUSTRIALS-Continued

Table of stock prices for industrial companies.

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## MAN OF THE WEEK

### Eyes on the White House

BY JUREK MARTIN

IT HAS happened before: a Supreme Allied Commander in Europe, concerned that the Republican Party was falling under the sway of an arch-conservative, has been tempted into the American political arena, unhorsed the Right-wing favourite and gone on to throw the Democrats out of the White House. The General was Dwight D. Eisenhower. The Republican opponent Robert Taft and the Democratic President was Harry S. Truman and the candidate a product of the liberal establishment, Adlai Stevenson.



General Alexander Haig  
in the footsteps of Eisenhower

Perhaps such comparisons were running through the head of Alexander Haig when this week he announced that he would be resigning this summer from his NATO command and did not rule out for himself a political role in the United States. There is nothing in General Haig's public record to suggest that he is an incurable romantic but it does not take great imagination to transpire 1952 with 1980 and to substitute the names of himself, Ronald Reagan, Jimmy Carter and Edward Kennedy.

## Oil groups hopeful on tanker men's pay

BY NICK GARNETT, LABOUR STAFF

FOUR of the five main oil companies were confident last night that pay offers to their tanker drivers and ancillary workers were proving acceptable.

Votes at Esso's oil terminals are understood to be running 6:1 in favour of accepting a 15 per cent deal, not linked to production.

BP and Mobil expect acceptance from their drivers after the first depot meetings. Shell hopes for a settlement but said it was still too early to know.

Picketing by Texaco drivers who began an all-out strike yesterday in protest at a similar 15 per cent offer severely disrupted petrol and oil supplies in some areas.

Ulster, parts of Merseyside, Manchester, North London and some Home Counties are severely affected, or likely to face difficulties soon.

About 900 drivers of the main oil companies are on unofficial strike in Ulster. Some companies began laying off workers because of fuel shortages, and more than three-quarters of the 800 petrol stations ran dry. The Northern Ireland Office asked the public to conserve fuel.

Big oil terminals at Buncfield, near Hemel Hempstead, Hertfordshire, Port, Cheshire, were almost halted by picketing Texaco drivers.

Oil companies said a few other depots were disrupted by picketing but in many areas supplies were normal.

Bus services in Manchester have stopped. Those in Newcastle-upon-Tyne and the East Midlands are disrupted.

National meetings of drivers' shop stewards from the main companies are being convened early next week to assess voting. The companies propose an increase of £3 on the basic pay of £75. The new figure would be the calculator for overtime and shifts. These would raise average weekly earnings of £112-£115 to about £130.

Barry Riley writes: World oil stocks will fall sharply by the end of the first quarter. Mr. Michael Pocock, chairman of Shell Transport and Trading, said yesterday.

"It is wrong to say there is a crisis round the corner," he stated. "Famine is the way to ensure a crisis. But it is wrong to say nothing should be done."

World stocks could fall below 70 days' supply by April if exports of crude oil from Iran remained suspended.

Shell executives estimate that a surplus of crude oil could be restored later in the year if Iran restored her exports to normal levels and other countries followed maximum production policies.

Weekend Brief, Page 17

## Parents win first round in lead pollution case

BY MAURICE SAMUELSON

THE CAMPAIGN to have lead additive removed from petrol in Britain won its first round in court yesterday when a private case against two oil companies and Ford Motor Company, the first of its kind in the UK, was sent for a full trial.

British Petroleum, Shell and Ford have been sued by three London children, whose parents claim that lead in petrol has damaged their health. Also named in the case heard before the Mayor's and City Court in London, is Associated Ocel, the lead processing company in which BP and Shell have interests.

The parents want Britain to follow the examples of the U.S., West Germany, the Soviet Union and Japan, where lead has been removed from petrol, or strictly limited, by law.

They claim that lead in petrol has affected the children's nervous systems, as shown in their hair and blood through vegetable analyses and blood tests. They are seeking for public nuisance and negligence. The defendants had claimed the case was vexatious or frivolous, but Mr. Andrew Myers, the City Court Registrar, said: "The court has a duty to safeguard the interests of minors."

Further claims by the plaintiffs—including trespass against the person—were not allowed, but the parents said that the core of the case would go for trial.

It will be heard before a judge either at the Mayor's and City Court or at the High Court.

Yesterday's decision came after five days of hearings. The last July, when the Mayor issued, on behalf of Fidel Biddan, aged three, Merlin Albery-Sneyer, three, and Gulliver Handley, one.

Mr. Nicholas Albery, an architect's assistant who represents his son, said that the decision to go to trial was "a victory for the common man". A second child was represented by a barrister and the third by a solicitor. Both are giving their services free.

The children are all expected to claim damages of £2,000, and the case will be followed closely by the anti-pollution lobby.

Scientists are divided over the degree of danger to health caused by lead in petrol, which is used to stop "pinging" in motor car engines and raise their efficiency.

In November, six scientists of the Health Research Council reported that lead level risks from exhaust fumes could be more than twice as high as previously thought, and that they could affect the mental development of children.

But scientists on a Government-sponsored investigation into children who live near Birmingham's "Spaghetti Junction", while acknowledging the high blood-lead levels of children in the district, did not agree about the dangers.

The Department of the Environment, which sponsored the working party, also dismissed the increased levels as not of special concern. Mr. Denis Howell, Environment Minister of State, has said that if the UK adopted West Germany's stringent controls it would cost the balance of payments about £200m a year. Car engines would have to be altered, resulting in higher petrol consumption.

## New poser over Volvo deal with Norway

By William Dullforce in Stockholm

VOLVO'S PLANS to sell 40 per cent of its shares to the Norwegian Government could face renewed difficulties, according to statements from key shareholders in the Swedish car company.

It is now clear that Mr. Pehr Gyllenhammar, Volvo's managing director, can no longer be sure of obtaining the necessary two-thirds shareholder support at the extraordinary general meeting on January 30.

Volvo has refused to comment on the likely outcome.

The Swedish Small Shareholders' Association, which held 29 per cent of the voting in the last Volvo general meeting, will decide on its attitude next week but its analysts have already said that SKR 950m (£110m), of which only SKR 700m would be equity capital, is too low a price.

The study group commissioned by the National Pensions Fund, which holds 5.2 per cent of the voting rights, has reported unfavourably on the Norwegian deal. But the fund's board, which includes representatives of trade union organisations already on record as favouring the deal, need not accept its study group's criticisms.

Of special interest, however, are suggestions from the Custos Investment Company with a 12.4 per cent stake in Volvo and the Skandia Insurance Company (1.4 per cent) that a purely Swedish alternative could be found to supply Volvo with its product development capital.

Mr. Sivarud Ando, Custos' managing director, says shareholders cannot just dismiss the Norwegian equity purchase but could propose an alternative which would offer Volvo the same opportunities for development. Allowing for Volvo's obligations under the deal to invest in Norway, a considerably smaller sum than SKR 700m would be required from the Swedish market.

## Borrie attacks petrol monopoly probe

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

AN UNPRECEDENTED row developed last night between two Government agencies over the handling of a monopoly probe into the supply of petrol to garages.

Mr. Gordon Borrie, Director-General of Fair Trading, launched a strongly worded attack on the Monopolies and Mergers Commission for failing to investigate the possible reduction of the number of petrol stations owned by the main petrol companies.

The Commission had been clearly asked to examine this particular issue—a reduction had been urged by the Motor Agents Association—when Sir John Methven, the then director-general, directed the Commission in early 1976 to investigate the wholesale supply of petrol in the UK.

The Commission's report, published yesterday, concluded that no monopoly conditions were present against the public interest in the wholesale supply of petrol.

Mr. Borrie said last night: "I am disappointed that the Commission interpreted their terms of reference as not enabling them to investigate a number of licensing and leasing matters of particular concern to the Motor Agents' Association."

His statement was the first time that a director-general had commented on a Monopolies Commission report and it was being made clear last night that, in the restrained language used in Whitehall, considerable criticism was being expressed by the Office of Fair Trading.

## Harriers offer to China

Continued from Page 1

pecting contracts for modernising and developing the coal-mining industry.

The Chinese are sending a trade mission to the UK this month to study the possibility of ordering a variety of ships. Another mission is to discuss requirements for a computer system.

The Chinese Government is also interested in British help in exploiting mineral resources and there are substantial long-term plans for modernising the railway system that could involve British companies.

Detailed inquiries have been made from London on the financing of so many modernisation projects and the UK Government is confident that suitable arrangements for credit will be made by the Chinese.

Michael Doune, Aerospace Correspondent, writes: British Aerospace is poised to send a large technical team to China to discuss details of the potential Harrier sale.

At stake is not only an initial purchase of about 100 aircraft,

## Japan's draft budget up 12.6%

By Charles Smith, Far East Editor, in Tokyo

JAPAN'S Government spending in the 1979 fiscal year, which begins in April, will rise by the smallest percentage amount since 1965 under the draft budget presented to the Cabinet yesterday.

The ¥38,600bn (£97bn) main budget, if approved by the diet, will be 12.6 per cent larger than the original 1978 budget, while the supplementary fiscal loan and investment programme will cost 10.4 per cent more at ¥16,436bn.

The rate of increase in Government spending in the 1979 fiscal year will be slightly higher than the estimated nominal rise in Gross National Product (9.5 per cent according to the official target), but much less than the 20.3 per cent increase in spending budgeted for in the 1978 fiscal year.

## Bond issues

The modest rate of increase in planned expenditure reflects a severe squeeze on Government revenue which is related to the effects of low economic growth. Tax revenue, which has stagnated for the last two years, is expected to be barely above last year's levels, even with newly introduced taxes.

The Government will thus be relying more heavily than ever on deficit financing this year. A total of ¥15,270bn worth of funds is due to be raised by bond issues during the year. ¥4,255bn more than the amount of last year's bond issue.

The Finance Ministry attempted until last year to keep deficit financing to below 30 per cent of total Government spending, but was obliged to abandon this ceiling in December, 1977, when the U.S. insisted that Japan adopt a more expansionist economic policy.

Deficit financing in last year's budget was raised to 36.9 per cent of Government spending, a figure regarded as dangerously high by the conservative-minded Finance Ministry. This year, the ratio of deficit financing will reach 39.6 per cent of the main budget, assuming no new taxes are introduced during the fiscal year.

## Public works

A new general excise tax, at one time tentatively scheduled for next January, is now unlikely before April next year. Since the fiscal year ends in March, the Ministry has been obliged to leave the new excise tax out of account when calculating its revenues for fiscal 1979.

Faced with the need to restrict the overall size of the budget, the Ministry seems to have decided to minimise current expenditure this year and to spend freely on public works and housing, two areas in which Government spending can help to promote economic recovery.

The amounts earmarked for public works in the main budget are 17.8 per cent greater than a year ago, with extra appropriations in the fiscal investment and loan account. By contrast, current expenditure will rise to just under 8 per cent, and social security appropriations will rise 12 per cent (compared with a 19 per cent rise in last year's budget).

Defence spending will go up 10.2 per cent to ¥2,094bn, keeping the defence budget at almost 0.9 per cent of Gross National Product. Aid appropriations will total ¥710bn, bringing overseas development assistance to an estimated 0.307 per cent of GNP during the year.

## Weather

UK TODAY

DRY with some freezing fog patches. Cold, sleet or snow in some parts of the north.

London, E. Anglia, S. England, S. Midlands, Channel Islands.

Freezing fog patches clearing to dry with sunny periods. Max. 3C. (37F.).

E., N. England, Wales, Midlands, Lakes.

Dry with fog patches and frost in parts, becoming cloudy with sleet or snow later. Max. 3C. (37F.).

Isle of Man, Scotland, Scottish Islands, N. Ireland.

Cloudy with outbreaks of sleet or snow turning to rain. Max. 4C. (39F.).

Outlook: Becoming milder and changeable after occasional rain or sleet.

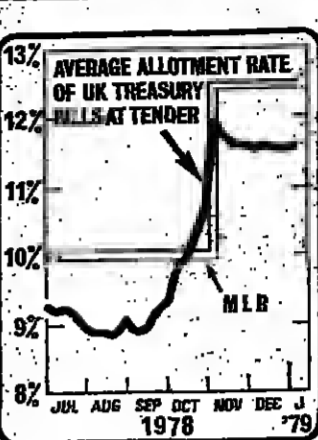
Snow reports, Page 5

## THE LEX COLUMN

# Opposing views on money rates

Once again a rather cheerless Friday afternoon was alleviated by an interesting Treasury bill tender. Discount houses with April 5 year-ends may have been bidding up to acquire bills which will mature in three months' time at the beginning of their financial years. But the market is firmly of the opinion that a good proportion of the £300m bills on offer went to Union Discount, which has walked off with most of the bills going in the past few weeks.

Index fell 2.4 to 479.5



Those houses which have received hardly any bills at recent tenders have initially put this aggressive bidding down to the need of Union, the largest discount house, to keep the rate as low as possible for its year-end accounts. Now that December 31 has gone by, the Machiavellian theory of its rivals is that it is trying to protect its long position in the hope of selling bills back to the authorities at favourable intervention rates on the assumption that money will be tight next week. The more straightforward explanation could simply be that Union is building up a substantial bull position in anticipation of lower short-term money rates.

It looks as though, in this case, a real diversity of views is emerging about the trend of London interest rates—the more bearish houses, after all, insist that the present discount on 91-day bills, at around 11.6 per cent, is 4 points too low.

Optimism may be mildly infectious. At least, short gills were rather firm after the bill tender, and the behaviour of forward sterling suggests there is not much immediate pressure coming through from New York.

## Fringe bank boom

All of a sudden fringe banks are back in fashion. First National Finance Corporation shares, which had been languishing at 3p in 1977, and started 1978 at 12p, closed last night at 7p. However, this performance has been overshadowed by the 3½ per cent subordinated unsecured loan stock 1982-87 which has shot up from 59 to 430 over the last year. Not bad going for a company whose chairman, less than two years ago, said that nothing short of a miracle would turn it around. At the last reckoning, FNFC, now capitalised at the princely sum of £8.5m had a deficit on shareholders' funds of £63m.

And while the performance of FNFC's warrants, convertible

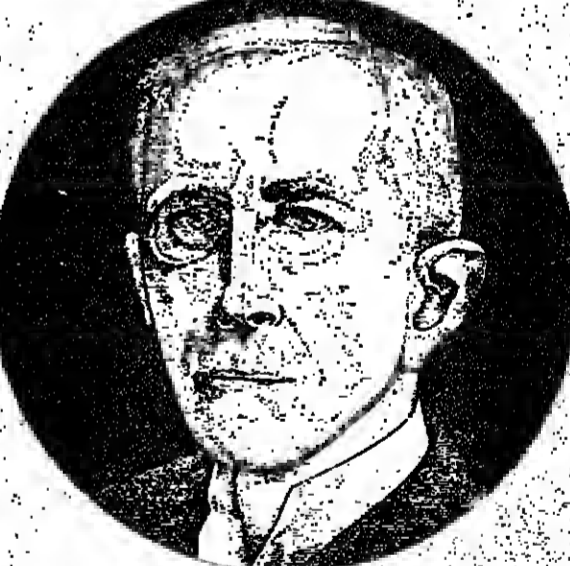
stage, and given the interest shown in Cedar Holdings there should not be any shortage of would-be purchasers. However, the sale of this side of the business is not going to lead to a bonanza for shareholders, and the institutions are probably reluctant to lose the only plum in the business until they can see some light at the end of the tunnel. The cleanest solution for both UDT and FNFC would be a complete takeover but the problem is finding a bidder willing to take all the good bits and the bad.

## Oil prices

While super-tankers queue forlornly off Iran, and motorists at home search for petrol, oil shares have a solid look. Both Shell Transport and BP prices have risen this week, and FT-Actuarial, oil sector index has edged up by 1½ per cent or so. The simple view is that tight supplies and higher prices never did oil company profits any harm, and the majors bracing themselves to fend criticism that they are making money out of a difficult situation—as they did in 1974 when profits soared.

Certainly the first quarter figures will get a boost from the first instalment of the OPEC crude price increases. But the oil companies are anxious to point out that there is a big difference between stock prices and stock appreciation. The latter creeps into historic cost accounts which are drawn up on the FIFO (first in, first out) basis which is required in the UK. It is eliminated by LIFO (last in, first out) accounting for stocks, which is common in the U.S., and would also be eliminated by current cost accounting. But the oil companies will only make real profit if they can sell old cheap stocks at new high prices, and whether they can do that is debatable.

In many countries, after all, price control authorities watch oil product prices very closely, and insist that oil stocks are used up before prices can be adjusted. Recent big spot price rises in Rotterdam—gasoline, for instance, has risen by some 50 per cent over the past six months or so—are not representative of the prices actually achieved in major consuming countries. In fact, oil majors like Shell are concerned that OPEC's little-but-often policy for crude oil price increases—three more small quarterly hikes—are due this year—will make it more difficult for the oil companies to obtain rapid adjustments in controlled markets.



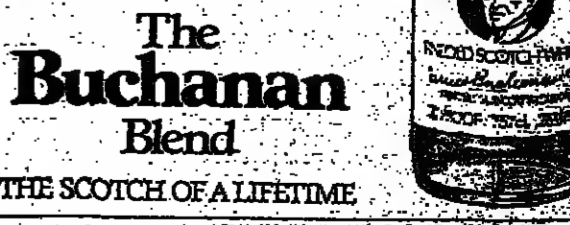
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